



ASX ANNOUNCEMENT

2 DECEMBER 2020

RETAIL ENTITLEMENT OFFER OPENS

Bega Cheese Limited ACN 008 358 503 ("**Bega Cheese**", "**BGA**") confirms that the attached Retail Entitlement Offer Booklet ("**Retail Offer Booklet**") along with personalised Entitlement and Acceptance Forms for the retail component of the 1 for 4.5 pro-rata accelerated non-renounceable entitlement offer ("**Retail Entitlement Offer**") as announced on Thursday, 26 November 2020, are being despatched today to shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**").

Bega Cheese also advises that the attached letter to shareholders who are ineligible to participate in the Retail Entitlement Offer ("**Ineligible Retail Shareholders**"), is also being despatched today.

Eligible Retail Shareholders can access a copy of the Retail Offer Booklet and their personalised Entitlement and Acceptance Form at <https://events.miracle.com/bega-offer>.

Retail Entitlement Offer

As announced on Thursday, 26 November 2020, the Retail Entitlement Offer opens today on Wednesday, 2 December 2020 and is expected to close at 5.00pm (Sydney Time) on Monday, 14 December 2020 ("**Retail Entitlement Offer Period**").

To participate, Eligible Retail Shareholders must ensure they have paid Application Monies by BPAY® or lodged a completed Entitlement and Acceptance Form with their Application Monies paid by cheque, bank draft or money order, so that they are received before 5:00pm (Sydney Time) on Monday, 14 December 2020, in accordance with the Retail Offer Booklet and personalised Entitlement and Acceptance Form.

Additional information

Eligible Retail Shareholders are encouraged to read the Retail Offer Booklet carefully.

Bega Cheese shareholders with any questions may call the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) and +61 1300 657 159 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer Period.

Important Notice and Disclaimer

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 in which such an offer or solicitation would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement may not be released or distributed in the United States.

This announcement includes “forward-looking statements” within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “likely”, “should”, “could”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “project”, “forecast”, “guidance” or other similar words, and include statements regarding certain plans, unknown risks, uncertainties and other factors, many of which are outside the control of Bega Cheese, and its directors, officers, employees, agents, affiliates or advisors. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Bega Cheese and its directors, officers, employees, agents, affiliates or advisors. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may assume the success of BGA’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Bega Cheese’s control and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. To the maximum extent permitted by law, BGA (including its subsidiaries), and its directors, officers, employees, agents, affiliates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and

- For personal use only
- disclaim all responsibility and liability for the information contained in this announcement including any forward-looking statements (including, without limitation, liability for negligence).

Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

This announcement has been authorised for release by the Executive Chairman of Bega Cheese.

For further information please contact:

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Executive Chairman
Bega Cheese Limited
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Mr David Williams
Managing Director
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Bega Cheese Limited
ACN 008 358 503

RETAIL ENTITLEMENT OFFER BOOKLET

Details of a 1 for 4.5 pro rata accelerated non-renounceable entitlement offer of New Shares in Bega Cheese at an offer price of \$4.60 per New Share

The Offer opens on Wednesday, 2 December 2020 and closes at **5.00pm (Sydney, Australia time)** on **Monday, 14 December 2020 (unless extended)**

IMPORTANT NOTICE

This Retail Offer Booklet is an important document accompanied by an Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

If you have any questions, you should consult your stockbroker, solicitor, accountant or other professional adviser or call the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) and +61 1300 657 159 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer Period.

IMPORTANT INFORMATION

General

This Retail Offer Booklet (other than the ASX Announcements in Section 3) is dated 2 December 2020. Capitalised terms in this section have the meaning given to it in Section 6 of this Retail Offer Booklet.

The Retail Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84). This Retail Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet is important and should be read in its entirety before deciding to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Bega Cheese may make additional announcements after the date of this Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Retail Entitlement Offer.

No party other than Bega Cheese has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet or for any action you take in reliance on this Retail Offer Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

Foreign offers

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders. Shares may not be offered or sold, directly or indirectly, to persons in the United States of America.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Retail Offer Booklet (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Retail Offer Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for Bega Cheese to lawfully receive any or all of the Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Offer Booklet or the personalised Entitlement and Acceptance Form accompanying it when it is dispatched to Eligible Retail Shareholders (as set out in the “Key dates” section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. Neither this Retail Offer Booklet (or any part of it) nor the personalised Entitlement and Acceptance Form, when made available, may be released or distributed, directly or indirectly, to persons in the United States.

Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 6. All references to currency are to Australian dollars and all references to time are to the time in Sydney, Australia unless otherwise indicated.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 of this Retail Offer Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Bega Cheese recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

No representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Bega Cheese or any of its officers. Except as required by law, and only to the extent so required, none of Bega Cheese, or any other person, warrants or guarantees the future performance of Bega Cheese or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that Bega Cheese's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Bega Cheese's future performance including Bega Cheese's future financial position or share price performance.

Forward looking statements

This Retail Offer Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Bega Cheese and certain plans and objectives of the management of Bega Cheese. Forward-looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may",

"predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements.

Neither Bega Cheese, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Bega Cheese. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those disclosures.

Neither the Underwriters, nor any of their respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Underwriter Parties**), have authorised, approved or verified any forward-looking statements.

Risks

Refer to the 'Risks' section of the capital raising presentation included in Section 3 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Bega Cheese.

Underwriters

Bell Potter Securities Limited and UBS AG, Australia Branch (together, the **Underwriters**) have acted as joint lead managers and underwriters to the Entitlement Offer (including the Retail Entitlement Offer). Neither the Underwriter Parties, nor the advisers to Bega Cheese or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by Bega Cheese) and, except to the extent expressly referred to in this Retail Offer Booklet, none of them makes or purports to make any statement in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

Each of the Underwriters is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management,

research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

Each of the Underwriters is acting for and providing services to Bega Cheese in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders or potential investors. Each of the Underwriters have been engaged solely as an independent contractor and are acting solely in a contractual relationship on an arm's length basis with Bega Cheese. The engagement of each of the Underwriters is not intended to create any fiduciary obligations, agency or other relationship between the Underwriters and Shareholders or potential investors.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Bega Cheese and the Underwriters. To the maximum extent permitted by law, each of Bega Cheese and each of the Underwriters and each of their respective affiliates disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability (including for fault or negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Retail Entitlement Offer and the information in this Retail Offer Booklet being inaccurate or due to information being omitted from this Retail Offer Booklet and make no representation or warranty, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, each of the Underwriters exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Retail Offer Booklet or otherwise arising in connection with it.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you

concerning the Entitlement Offer or any such information, and by returning your personalised Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on your personalised Entitlement and Acceptance Form you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Trading in New Shares

To the maximum extent permitted by law, Bega Cheese, each of the Underwriters and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Bega Cheese or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Interpretation

In this Retail Offer Booklet, references to:

- 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement', 'your Entitlement and Acceptance Form' or similar expressions are references to the Entitlement or Entitlement and Acceptance Form of Eligible Retail Shareholders; and
- 'Section' is a reference to a section of this Retail Offer Booklet.

This document has been authorised for release to ASX by the Bega Cheese Board of Directors.

LETTER FROM THE CHAIRMAN

2 December 2020

Dear Shareholder,

As announced on Thursday, 26 November 2020, Bega Cheese Limited (ACN 008 358 503) (ASX code: BGA) (**Bega Cheese** or the **Company**) has entered into a binding Share Sale and Purchase Agreement to acquire Lion-Dairy & Drinks Pty Ltd (**LDD**) for a net acquisition price of \$534 million¹ (**Acquisition**).

On behalf of the Board, I am pleased to invite you to participate in an underwritten² 1 for 4.5 pro- rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$4.60 (**Offer Price**) per New Share (**Retail Entitlement Offer**).

Offer

On Thursday, 26 November 2020, Bega Cheese announced its intention to raise approximately \$401 million by way of an underwritten³ equity raising comprised of a 1 for 4.5 accelerated non-renounceable entitlement offer (to raise approximately \$220 million) (**Entitlement Offer**) and an institutional placement (to raise approximately \$181 million) (**Placement**, together with the Entitlement Offer, the **Offer**).

Bega Cheese successfully conducted the Institutional Entitlement Offer to raise approximately \$103 million and the Placement to raise approximately \$181 million, at an issue price of \$4.60 per New Share. New Shares are expected to be issued under the Placement and Institutional Entitlement Offer on Thursday, 3 December 2020.

The Entitlement Offer comprises:

- an offer to Eligible Institutional Shareholders; and
- an offer to Eligible Retail Shareholders, to which this Retail Offer Booklet relates.

The Offer is underwritten⁴ by Bell Potter Securities Limited and UBS AG, Australia Branch (together, the **Underwriters**).

Proceeds of the Offer will be used to partly fund the Acquisition.

Details of the Acquisition

The Acquisition expands and optimises Bega Cheese's branded foods portfolio, and:

- creates a large-scale dairy and foods business with increased product portfolio;
- builds a highly complementary consumer packaged goods supply chain and organisational capability;
- significantly expands its domestic distribution network to include the route channel, through LDD's national cold chain distribution network; and
- strengthens its core dairy footprint.

Further information about the Acquisition, including its strategic rationale and financial impact, is detailed in the ASX Announcements (included in this Retail Offer Booklet in Section 3). Completion of the Acquisition is anticipated to occur at the end of January 2021.

1 Net acquisition price represents gross sale of \$560 million less a \$26 million deduction for IT separation costs (net of tax).

2 Please refer to summary of the Underwriting Agreement contained in Section 5.14.

3 See footnote 2.

4 See footnote 2.

Retail Entitlement Offer

This Retail Offer Booklet relates to the Retail Entitlement Offer to raise approximately \$117 million. Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 4.5 Shares they hold as at the Record Date at an issue price of \$4.60 per New Share. The issue price under the Retail Entitlement Offer is the same issue price as for the Institutional Entitlement Offer and Placement, and represents a:

- discount of 7.6% to the TERP⁵ of \$4.98; and
- 9.1% discount to the closing price of \$5.06 on Friday, 20 November 2020, being the last trading day prior to the announcement of the Entitlement Offer.

New Shares issued under the Offer will rank equally with Existing Shares.

The number of New Shares which you are entitled to subscribe for under the Retail Entitlement Offer is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Shareholders on Wednesday, 2 December 2020.

Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement, at the Offer Price (**Oversubscription Facility**). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility (see Section 2.10 of this Retail Offer Booklet for further information). Directors of Bega Cheese are not entitled to participate in the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. This means that Eligible Retail Shareholders who do not take up their full Entitlement will receive no value for those Entitlements and their percentage holding in Bega Cheese will be reduced.

How to apply

To participate in the Retail Entitlement Offer, please ensure that you validly accept it, before 5:00pm (Sydney, Australia time) on Monday, 14 December 2020. You can accept by paying your Application Monies via BPAY®. If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that form and representations outlined below in Section 2.16 of this Retail Offer Booklet. Alternatively, you may submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order in Australian currency for the amount of the Application Monies. However, in light of delays to postal services caused by the COVID-19 pandemic, you are encouraged to pay by BPAY® if possible. Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet.

Additional information

The Bega Cheese Board encourages you to read this Retail Offer Booklet carefully (in particular, the “Risks” section set out in the capital raising presentation included in Section 3, which contains a number of key risks associated with an investment in Bega Cheese). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

5. The Retail Theoretical ex-rights price (**TERP**) includes the New Shares to be issued under the Entitlement Offer (but not the Placement). TERP is the theoretical price at which Shares should trade on ASX immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of BGA's Shares as traded on ASX on Friday, 20 November 2020.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 14 December 2020 (Closing Date).

For further information regarding the Retail Entitlement Offer, please call the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

On behalf of the Bega Cheese Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of Bega Cheese.

Yours sincerely,



Barry Irvin
Executive Chairman

SUMMARY OF ENTITLEMENT OFFER

Institutional Entitlement Offer

Ratio	1 New Share for every 4.5 Shares held
Offer Price	\$4.60 per New Share
Size	Approximately 23 million New Shares
Gross proceeds	Approximately \$103 million

Retail Entitlement Offer

Ratio	1 New Share for every 4.5 Shares held (same as Institutional Entitlement Offer)
Offer Price	\$4.60 per New Share (same as Institutional Entitlement Offer)
Size	Approximately 25 million New Shares
Gross proceeds	Approximately \$117 million

Total gross proceeds

Expected total gross proceeds of the Entitlement Offer	Approximately \$220 million
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KEY DATES

Event	Date
Announcement of the Placement and Entitlement Offer	Thursday, 26 November 2020
Placement closes	Thursday, 26 November 2020
Trading in Bega Cheese Shares resumes	Friday, 27 November 2020
Record Date for determining eligibility for the Retail Entitlement Offer	7.00pm (Sydney time) on Monday, 30 November 2020
Retail Offer Booklet lodged with ASX	Wednesday, 2 December 2020
Despatch of Retail Offer Booklets and Entitlement and Acceptance Forms to Eligible Retail Shareholders	Wednesday, 2 December 2020
Retail Entitlement Offer opens	
Settlement of Placement and Institutional Entitlement Offer	Wednesday, 2 December 2020
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Thursday, 3 December 2020
Retail Entitlement Offer closes (Closing Date)	5.00pm (Sydney time) on Monday, 14 December 2020
Settlement of Retail Entitlement Offer	Friday, 18 December 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 21 December 2020
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Tuesday, 22 December 2020
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 23 December 2020

This timetable is indicative only and subject to change. The Directors may, with the consent of the Underwriters, vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Retail Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation of the New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

TABLE OF CONTENTS

1.	Summary of options available to you	11
2.	OVERVIEW OF THE ENTITLEMENT OFFER	12
3.	ASX ANNOUNCEMENTS AND CAPITAL RAISING PRESENTATION	19
4.	AUSTRALIAN TAXATION CONSEQUENCES	89
5.	ADDITIONAL INFORMATION	91
6.	DEFINITIONS	96
7.	CORPORATE DIRECTORY	98

1. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder (as defined in Section 2.3), you may take one of the following actions:

- take up all of your Entitlement (see Section 2.9 of this Retail Offer Booklet);
- take up all of your Entitlement and apply for Additional New Shares under the Oversubscription Facility (see Section 2.10 of this Retail Offer Booklet);
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for your lapsed Entitlement (see Section 2.11 of this Retail Offer Booklet); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement (see Section 2.12 of this Retail Offer Booklet).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an **Ineligible Retail Shareholder**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
Option 1: Take up all of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 2.9 of this Retail Offer Booklet for instructions on how to take up your Entitlement).• The New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.• The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 14 December 2020.
Option 2: Take up all of your Entitlement, and apply for Additional New Shares under the Oversubscription Facility	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 2.9 of this Retail Offer Booklet for instructions on how to take up your Entitlement).• If you take up all of your Entitlement, you may elect to purchase Additional New Shares up to a maximum of 50% of your Entitlement at the Offer Price (see Section 2.10 of this Retail Offer Booklet for instructions on how to take up Additional New Shares).• The New Shares and the Additional New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.
Option 3: Take up part of your Entitlement	<ul style="list-style-type: none">• If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them.• If you do not take up your Entitlement in full, you will have your percentage holding in Bega Cheese reduced as a result of the Entitlement Offer.
Option 4: Do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlements	<ul style="list-style-type: none">• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.• Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.• If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement and will have your percentage holding in Bega Cheese reduced as a result of the Entitlement Offer.

2. OVERVIEW OF THE ENTITLEMENT OFFER

2.1 Entitlement Offer

The Entitlement Offer is an accelerated non-renounceable pro rata offer of approximately 48 million New Shares at \$4.60 per New Share to raise approximately \$220 million (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

Bega Cheese has also conducted an institutional placement to certain institutional investors (**Placement**) which has raised approximately \$181 million.

The Entitlement Offer has the following components:

- (a) **the Institutional Entitlement Offer** – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Shareholders was carried out. The Institutional Entitlement Offer raised approximately \$103 million; and
- (b) **the Retail Entitlement Offer** (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Oversubscription Facility, or do nothing in respect of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$117 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer and Placement. In addition, Eligible Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is underwritten⁶ by the Underwriters in accordance with the terms of the Underwriting Agreement (see Section 5.14 of this Retail Offer Booklet).

2.2 Institutional Entitlement Offer and Placement

Bega Cheese has already raised approximately \$181 million from Institutional Investors as part of the Institutional Entitlement Offer and Placement, at \$4.60 per New Share.

New Shares are expected to be issued under the Institutional Entitlement Offer and Placement on Thursday, 3 December 2020.

2.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer only to persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 30 November 2020;
- as at the Record Date, have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- are not an Eligible Institutional Shareholder or an Ineligible Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered,

(**Eligible Retail Shareholders**).

⁶ Please refer to summary of the Underwriting Agreement contained in Section 5.14.

Bega Cheese, in its absolute discretion, reserves the right to determine whether a security holder is an Eligible Retail Shareholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and therefore unable to participate in the Retail Entitlement Offer. Bega Cheese disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a security holder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Eligible Retail Shareholders are entitled to acquire 1 New Share for every 4.5 Existing Shares held on the Record Date. Any fractional Entitlement will be rounded up to the nearest whole number of New Shares.

Eligible Retail Shareholders who take up their full Entitlement may also apply to participate in the Oversubscription Facility by applying for Additional New Shares in excess of their Entitlement at the Offer Price, up to a maximum of 50% of their Entitlement.

The Retail Entitlement Offer opens on Wednesday, 2 December 2020 and will close at 5.00pm (Sydney time) on Monday, 14 December 2020.

This Retail Offer Booklet relates to the Retail Entitlement Offer and is relevant only to Eligible Retail Shareholders. A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Retail Offer Booklet. If you are an Eligible Retail Shareholder, your choices with respect to your Entitlement are outlined in Section 2.8.

By returning a completed personalised Entitlement and Acceptance Form with payment or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

Eligible Retail Shareholders should be aware that an investment in Bega Cheese involves risks. The key risks identified by Bega Cheese are summarised in the 'Risks' section of the Capital Raising Presentation included in Section 3.

2.4 Ineligible Retail Shareholders

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Bega Cheese reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Bega Cheese has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to the number of Shares held by Ineligible Retail Shareholders, the number and value of New Shares that they would be offered, and the costs of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in those places.

2.5 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 4.5 Shares you held as at the Record Date, being 7.00pm (Sydney time) on Monday, 30 November 2020. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the day the Retail Entitlement Offer closes may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 50% of their Entitlement. There is no guarantee that Eligible Retail Shareholders will receive the number of Additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Oversubscription Facility if available and then only if and to the extent that Bega Cheese so determines, in its absolute discretion. Any scale-back will be applied by Bega Cheese in its absolute discretion (but in consultation with the Underwriters). Directors of Bega Cheese are not entitled to participate in the Oversubscription Facility.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up. For example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see Section 2.4 above).

2.6 You cannot trade your Entitlement

Your Entitlement is personal and cannot be traded on the ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (Sydney time) on Monday 14 December 2020, your rights will lapse.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in Bega Cheese will also be diluted.

The New Shares not subscribed for under the Retail Entitlement Offer (**Retail Shortfall**) may be taken up by the Underwriters or any sub-underwriters.

2.7 How to apply

You should read this Retail Offer Booklet (including the ASX Announcements and the Capital Raising Presentation in Section 3 of this Retail Offer Booklet) and any other information made publicly by Bega Cheese, carefully and in their entirety before making a decision about your Entitlement and applying for Additional New Shares under the Oversubscription Facility.

If you have any questions, you should consult your stockbroker, solicitor, accountant or other professional adviser or call the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) and +61 1300 657 159 (outside Australia) at any time between 8.30am to 5.30pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer Period.

2.8 Choices available to Eligible Retail Shareholders

If you are an Eligible Retail Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement (refer to Section 2.9);
- (b) take up all of your Entitlement and apply for Additional New Shares under the Oversubscription Facility (refer to Section 2.10);
- (c) take up part of your Entitlement (refer to Section 2.11); or
- (d) not take up your Entitlement (refer to Section 2.12).

You should note that if you do not take up all of your Entitlement, your percentage shareholding in Bega Cheese will be diluted. The New Shares not subscribed for will form part of the Retail Shortfall.

2.9 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, you are encouraged to make payment via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form or available online at www.begacheese.com.au/investors/.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 2.15 of this Retail Offer Booklet.

Payment must be received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 14 December 2020.

2.10 Taking up all of your Entitlement and applying for Additional New Shares

If you take up all of your Entitlement, you may also apply for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 50% of your Entitlement. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, Listing Rules, the constitution of the Company and other applicable laws and regulations. The basis of allocation of any Additional New Shares will be determined by the Board of Bega Cheese at its discretion, taking into account whether investors are existing Shareholders, the Company's register and any potential control impacts. If Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility, Bega Cheese will scale back applications for Additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for Additional New Shares.

Directors of Bega Cheese are not entitled to participate in the Oversubscription Facility.

2.11 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, you are encouraged to make payment by following the instructions set out on the personalised Entitlement and Acceptance Form or available online at www.begacheese.com.au/investors/.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 2.15 of this Retail Offer Booklet.

If Bega Cheese receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

Eligible Retail Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements they do not take up.

2.12 Allowing your Entitlement to lapse

If you take no action, you will not be allotted your Entitlement.

Any Entitlements which you do not take up will lapse and those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer may be acquired by other Eligible Retail Shareholders under the Oversubscription Facility or acquired by the Underwriters or any sub-underwriters.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage interest in Bega Cheese will also be reduced as a result of the Entitlement Offer.

2.13 Payment and refunds

In light of delays to postal services caused by the COVID-19 pandemic, you are encouraged to pay your Application Monies using BPAY® if possible (see below at Section 2.14 of this Retail Offer Booklet).

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 2.15 of this Retail Offer Booklet. Cash payments will not be accepted. Receipts for payment will not be issued.

Bega Cheese will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

If you wish to advise or change your banking instructions with the Share Registry you may do so at www.linkmarketservices.com.au before the Closing Date.

2.14 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form or available online at www.begacheese.com.au/investors/. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.16 of this Retail Offer Booklet; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 14 December 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.15 If you are unable to pay by BPAY®

Bega Cheese encourages payments by BPAY® if possible.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, you may make payment by completing and returning your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and attaching a cheque, bank draft or money order in Australian currency. The cheque, bank draft or money order must be payable to 'Bega Cheese Limited' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your Entitlement and Acceptance Form and cheque, bank draft or money order is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 14 December 2020 at the address set out below:

Bega Cheese Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

You must ensure cleared funds are held in your account as your cheque, bank draft or money order will be processed as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque, bank draft or money order must be:

- (a) payable to 'Bega Cheese Limited' and crossed 'Not Negotiable';
- (b) for an amount equal to \$4.60 multiplied by the number of New Shares that you are applying for; and
- (c) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque, bank draft or money order will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies (or the amount which clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Otherwise, your Application will not be accepted.

2.16 Effect of participating in Retail Entitlement Offer

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. Bega Cheese's decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- (b) you have received, read and understood this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement and Acceptance Form), and Bega Cheese's constitution;
- (d) you authorise Bega Cheese to register you as the holder(s) of New Shares allotted to you under the Retail Entitlement Offer;
- (e) all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (f) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Retail Entitlement Offer;
- (g) you accept that there is no cooling off period under the Retail Entitlement Offer and you acknowledge that once Bega Cheese receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New Shares specified in your Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (i) you authorise Bega Cheese, each of the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (j) you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- (k) the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Bega Cheese and is given in the context of Bega Cheese's past and ongoing continuous disclosure announcements to ASX;
- (m) you acknowledge the statement of risks in the section entitled "Risks" in the Capital Raising Presentation (see Section 3 of this Retail Offer Booklet), and that investments in Bega Cheese are subject to risk;
- (n) none of Bega Cheese, each of the Underwriters, or each of the Underwriter Parties, warrants or guarantees the performance of the New Shares or the performance of Bega Cheese, nor do they guarantee any repayment of capital or return from Bega Cheese on any investment made pursuant to this Retail Entitlement Offer;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise Bega Cheese to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) for the benefit of Bega Cheese, the Underwriters and their respective related bodies corporate and affiliates, you represent and warrant that:
 - (i) you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, you are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer, you are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer; and
 - (ii) you are an Eligible Shareholder;

- (r) you acknowledge and agree that:
- (i) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and Share Registry constraints and the discretion of Bega Cheese and/or each of the Underwriters; and
 - (ii) each of Bega Cheese and each of the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (s) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) for the benefit of Bega Cheese, each of the Underwriters and their respective related bodies corporate and affiliates, you warrant and represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (u) you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand that the Entitlements may not be taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or persons who are acting for the account or benefit of a person in the United States;
- (v) you are subscribing for or purchasing the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (w) you are not engaged in the business of distributing securities;
- (x) you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (y) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in the standard “regular way” brokered transactions on ASX or Chi-x where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (z) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (aa) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- (bb) you make all other representations and warranties set out in this Retail Offer Booklet.

2.17 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3. ASX ANNOUNCEMENTS AND CAPITAL RAISING PRESENTATION



ASX ANNOUNCEMENT

26 NOVEMBER 2020

BEGA CHEESE ACQUIRES LION DAIRY & DRINKS AND LAUNCHES UNDERWRITTEN CAPITAL RAISING

Bega Cheese Limited ("**Bega Cheese**", "**BGA**") is pleased to announce that it has entered into a binding Share Sale and Purchase Agreement to acquire all of the shares in Lion Dairy & Drinks ("**LD&D**", "**Company**") for a net acquisition price of \$534 million¹ ("**Acquisition**"). Completion of the Acquisition is anticipated to occur at the end of January 2021².

The Acquisition will be funded by a combination of new and extended debt facilities and the proceeds from a \$401 million underwritten entitlement offer and placement.

Commenting on the Acquisition, Bega Cheese's Executive Chairman, Barry Irvin, said "we are delighted to announce this acquisition which we believe will create significant value for shareholders. The acquisition delivers important industry consolidation and value creation with synergies across the entire supply chain. The expanded product range, manufacturing and distribution infrastructure and brand portfolio realises our ambition of creating a truly great Australian food company."

LD&D's core business is the manufacture, marketing, sales and distribution of:

- Milk Based Beverages (Dare, Farmers Union, Big M, Masters, Dairy Farmers);
- Yoghurt (Yoplait, Farmers Union, Dairy Farmers);
- Chilled Juices (Juice Brothers, Daily Juice);
- Cream and Custard (Pura, Dairy Farmers); and
- White Milk (Pura, Dairy Farmers, Masters).

Significantly, LD&D also has Australia's largest national cold chain distribution network supplying food service and convenience stores. The Company has a national manufacturing footprint comprising 13 sites.

The Company also has significant joint ventures and alliances with:

- Sodima, through a licence to manufacture, market and sell yoghurt and dairy desserts under the Yoplait brand in Australia and in some South East Asian markets;

¹ Net acquisition price represents gross sale price of \$560 million less a \$26 million deduction for IT separation costs (net of tax)

² Adjustments to be made following completion in respect of various matters including debt and working capital

- Vita International Holdings, through the joint venture company Vitasoy Australia Products Pty Ltd which manufactures, markets and sells plant-based products under the Vitasoy brand; and
- LD&D also has a longstanding joint venture with Bega Cheese, in relation to Capitol Chilled Foods (Australia) (“CCFA”), an ACT company that manufactures dairy products in the ACT and distributes and sells those and other products under the LD&D brands and Canberra Milk brand.

Financial Overview

- The combined business is expected to generate revenue in excess of \$3 billion³
- LD&D delivered pro forma normalised LTM Sep-20 EBITDA⁴ of \$56 million (post-AASB 16) excluding synergies
- Base case synergies of \$41 million per annum primarily from milk network optimisation, indirect procurement and a corporate reorganisation
- Double digit EPS accretion⁵ in FY22⁶
- Pro forma FY20 net debt of \$518 million and net debt / EBITDA of 3.3x (3.1x pre-AASB 16)
- Synergy generation and additional initiatives expected to support strong deleveraging post transaction. Bega remains committed to target leverage below 2.0x in the near to medium term

Compelling Strategic Rationale

The Acquisition expands and optimises Bega Cheese’s branded foods portfolio:

- creates a large-scale dairy and foods business with increased product portfolio;
- builds a highly complementary consumer packaged goods supply chain and organisational capability;
- significantly expands its domestic distribution network to include the route channel, through LD&D’s national cold chain distribution network; and
- strengthens its core dairy footprint through:
 - a sizable increase in annual milk intake to 1.7 billion litres from 955 million litres;
 - expanded product capability into new branded dairy categories such as Milk Based Beverages, Yoghurts and Culinary (Cream and Custard);
 - expanded manufacturing and milk collection footprint into new regions including the strategically important region of Gippsland; and

³ Assuming Bega FY20 revenue and LD&D LTM Sep-20 revenue of \$1.6 billion

⁴ Represents post-AASB 16 pro forma normalised EBITDA, including Vitasoy JV: 49% of NPAT and a management fee, and 75% of CCFA earnings

⁵ Comparative EPS for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting

⁶ FY22 includes synergies of \$36m

- complementary supply profile provides opportunity to optimise utilisation of milk intake across a significantly expanded manufacturing footprint.

Bega Cheese's Chief Executive Officer, Paul van Heerwaarden, said "we are very pleased with the performance of acquisitions made in recent years which are achieving or exceeding our profit targets. The recent company restructure and ERP implementation will allow us to integrate this Acquisition and take advantage of the various synergies and growth opportunities across domestic and international markets."

Bega Cheese is advised by Kidder Williams Limited and Addisons Lawyers.

Capital Raising

Bega Cheese is undertaking an underwritten capital raising to fund the Acquisition (including transaction costs). Bega Cheese will be undertaking a capital raising at an offer price of \$4.60 ("Offer Price") per share to raise approximately \$401 million and will issue approximately 87 million new fully paid ordinary shares in Bega Cheese ("**New Shares**") (equivalent to approximately 41% of existing BGA ordinary shares on issue). The capital raising will comprise (collectively, the "**Offer**" or "**Capital Raising**"):

- a 1 for 4.5 pro-rata accelerated non-renounceable entitlement offer of approximately \$220 million, comprising an Institutional Entitlement Offer and a Retail Entitlement Offer⁷ ("**Entitlement Offer**"); and
- an institutional placement ("**Placement**") of approximately \$181 million

All New Shares offered under the Capital Raising will be issued at a fixed price of \$4.60 per New Share ("**Offer Price**"). This Offer Price represents a:

- 9.1% discount to the last traded price of \$5.06 on Friday, 20 November 2020; and
- 7.6% discount to TERP⁸ of \$4.98
- Each New Share issued under the Capital Raising will rank equally with all existing fully paid ordinary BGA shares ("**Shares**") on issue and will be eligible for any dividend declared for the financial year ending 30 June 2021, including any dividend declared for the half year to 26 December 2020. Bega Cheese will apply for quotation of New Shares on ASX.

⁷ The Retail Entitlement Offer is only available to eligible retail shareholders of Bega Cheese with a registered address on the Company's share register in Australia or New Zealand on the Record Date. See the Retail Entitlement Offer Booklet for further details on eligibility once available.

⁸ The Retail Theoretical ex-rights price (TERP) includes the New Shares to be issued under the Entitlement Offer (but not the Placement). TERP is the theoretical price at which Shares should trade on ASX immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of BGA's Shares as traded on ASX on Friday, 20 November 2020.

Placement

The Placement of New Shares is underwritten and will be offered to sophisticated and institutional investors in Australia and certain overseas jurisdictions at the Offer Price.

The Placement is expected to result in the issue of approximately 39 million New Shares, representing approximately 15% of BGA's ordinary shares on issue post Entitlement Offer shares⁹.

The Placement is being conducted today, Thursday, 26 November 2020, with BGA Shares to remain in a trading halt pending completion of the Capital Raising. Trading in BGA Shares is expected to recommence on Friday, 27 November 2020.

The New Shares issued under the Placement are expected to settle on Wednesday, 2 December 2020, and be issued and commence trading on ASX on Thursday, 3 December 2020.

New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

Entitlement Offer

The underwritten Entitlement Offer includes an offer to eligible institutional shareholders ("**Institutional Entitlement Offer**") and an offer to eligible retail shareholders ("**Retail Entitlement Offer**").

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect of entitlements they do not take up and their percentage equity interest in Bega Cheese will be diluted.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place today, Thursday, 26 November 2020. Eligible institutional shareholders may opt to take up all, part or none of their entitlement.

Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors who bid into the Placement being conducted concurrently with the Institutional Entitlement Offer.

Bega Cheese Shares will remain in a trading halt pending completion of the Institutional Entitlement Offer and Placement.

⁹ Bega sought an ASX waiver to calculate placement capacity on the post rights capital base

Retail Entitlement Offer

Eligible retail shareholders registered as a shareholder of Bega Cheese in Australia and New Zealand as at 7.00pm (Sydney Time) on Monday, 30 November 2020 will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Wednesday, 2 December 2020 and is expected to close at 5.00pm (Sydney Time) on Monday, 14 December 2020.

Eligible Retail Shareholders will be sent an information booklet ("**Retail Entitlement Offer Booklet**") including a personalised entitlement and acceptance form on Wednesday, 2 December 2020. The Retail Entitlement Offer Booklet will provide the details of how to participate in the Retail Entitlement Offer. A copy of the Retail Entitlement Offer Booklet will also be lodged with the ASX on Wednesday, 2 December 2020.

In addition to each eligible retail shareholder's entitlement under the Retail Entitlement Offer, eligible retail shareholders will be offered the opportunity to apply for additional New Shares (up to 50% of their entitlement) ("**Oversubscription Facility**"). Eligible retail shareholders are not assured of being allocated any New Shares in excess of their entitlement under the Oversubscription Facility and will be allocated in accordance with the allocation policy outlined in the Retail Entitlement Offer Booklet. Bega Cheese retains absolute discretion regarding allocations under the Oversubscription Facility.

Bega Cheese may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Additional information

Further information is provided in the equity raising investor presentation provided to the ASX today by Bega Cheese. The presentation includes important information including key risks and foreign selling restrictions in relation to the Capital Raising.

Key dates

Event	Date
Announcement of Offer, Institutional Entitlement Offer and Placement opens	Thursday, 26 November 2020
Institutional Entitlement Offer and Placement closes	Thursday, 26 November 2020
Announcement of results of Institutional Entitlement Offer and Placement	Friday, 27 November 2020
Trading halt is lifted and trading resumes on an "ex-entitlement" basis	Friday, 27 November 2020
Record date for the Entitlement Offer (7:00pm Sydney time)	Monday, 30 November 2020
Settlement of New Shares issued under the Institutional Entitlement Offer and the Placement	Wednesday, 2 December 2020
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched	Wednesday, 2 December 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Thursday, 3 December 2020
Retail Entitlement Offer closes (5:00pm Sydney time)	Monday, 14 December 2020
Announcement of results of Retail Entitlement Offer	Thursday, 17 December 2020
Settlement of Retail Entitlement Offer	Friday, 18 December 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 21 December 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 December 2020
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 23 December 2020

All dates and times are indicative and BGA reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia.

Important Notice and Disclaimer

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 in which such an offer or solicitation would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement may not be released or distributed in the United States.

This announcement includes "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "likely", "should", "could", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "project", "forecast", "guidance" or other similar words, and include statements regarding certain plans, unknown risks, uncertainties and other factors, many of which are outside the control of Bega Cheese, and its directors, officers, employees, agents, affiliates or advisors. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Bega Cheese and its directors, officers, employees, agents, affiliates or advisors. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may assume the success of BGA's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Bega Cheese's control and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. To the maximum extent permitted by law, BGA (including its subsidiaries), and its directors, officers, employees, agents, affiliates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for the information contained in this announcement including any forward-looking statements (including, without limitation, liability for negligence).

Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

This announcement has been approved by the BGA Board.

For further information please contact

Mr Barry Irvin
Executive Chairman
Bega Cheese Limited
ABN 81 008 358 503
02 6491 7720

Mr David Williams
Managing Director
Kidder Williams Limited
ABN 81 117 667 204
0414 383 593



ASX ANNOUNCEMENT

27 NOVEMBER 2020

BEGA CHEESE ANNOUNCES SUCCESSFUL COMPLETION OF PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

Bega Cheese Limited ACN 008 358 503 (ASX: BGA) ("**Bega Cheese**", "**BGA**") is pleased to announce the successful completion of the underwritten institutional placement ("**Placement**") and the institutional component ("**Institutional Entitlement Offer**") of its 1 to 4.5 pro-rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid shares in Bega Cheese ("**New Shares**") raising approximately \$284 million.

As announced on Thursday, 26 November 2020, the proceeds of the Placement and Entitlement Offer will be used to partly fund the acquisition of all of the shares in Lion Dairy & Drinks Pty Ltd ("**LD&D**") for a net acquisition price of \$534 million¹ ("**Acquisition**").

The Placement and Institutional Entitlement Offer saw strong support from both existing shareholders and new investors, with a take up rate of approximately 96% under the Institutional Entitlement Offer (excluding ineligible shareholders).

Bega Cheese's Executive Chairman, Barry Irvin, commented "We are delighted with the support we received for this company transforming acquisition. We have always enjoyed strong support from our shareholders and once again they embraced our vision of creating 'The great Australian food company'."

The Placement and Institutional Entitlement Offer will result in the issue of approximately 62 million New Shares, comprising:

- approximately 39 million New Shares to be issued under the Placement, raising approximately \$181 million; and
- approximately 23 million New Shares to be issued under the Institutional Entitlement Offer, raising approximately \$103 million.

The offer price for the Placement and Institutional Entitlement Offer was \$4.60 per New Share.

The New Shares issued under the Placement and Entitlement Offer will rank equally with existing fully paid ordinary BGA shares ("**Shares**") on issue.

¹ Net acquisition price represents gross sale price of \$560 million less a \$26 million deduction for IT separation costs (net of tax).

The Placement and Institutional Entitlement Offer is expected to settle on Wednesday, 2 December 2020, and the New Shares are expected to be issued and commence trading on ASX on Thursday, 3 December 2020.

Retail Entitlement Offer

As announced on Thursday, 26 November 2020, the retail component of the Entitlement Offer ("**Retail Entitlement Offer**") will open on Wednesday, 2 December 2020 and is expected to close at 5.00pm (Sydney Time) on Monday, 14 December 2020.

Eligible retail shareholders will be sent an information booklet ("**Retail Entitlement Offer Booklet**") including a personalised entitlement and acceptance form on Wednesday, 2 December 2020. The Retail Entitlement Offer Booklet will provide details on how eligible retail shareholders can participate in the Retail Entitlement Offer. A copy of the Retail Entitlement Offer Booklet will also be lodged with ASX on Wednesday, 2 December 2020.

Additional information

Further information about the Entitlement Offer and Acquisition is provided in the ASX announcement and equity raising investor presentation provided by Bega Cheese to the ASX on Thursday, 26 November 2020.

Important Notice and Disclaimer

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 in which such an offer or solicitation would be illegal. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

This announcement may not be released or distributed in the United States.

This announcement includes "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "likely", "should", "could", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "project", "forecast", "guidance" or other similar words, and include statements regarding certain plans, unknown risks, uncertainties and other factors, many of which are outside the control of Bega Cheese, and its directors, officers, employees, agents, affiliates or advisors. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Bega Cheese and its directors, officers, employees, agents, affiliates or advisors. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may assume the success of BGA's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Bega Cheese's control and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise.

Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. To the maximum extent permitted by law, BGA (including its subsidiaries), and its directors, officers, employees, agents, affiliates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for the information contained in this announcement including any forward-looking statements (including, without limitation, liability for negligence).


Nothing contained in this announcement shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

This announcement has been approved by the BGA Board.

For further information please contact:

Mr Barry Irvin
Executive Chairman
Bega Cheese Limited
ABN 81 008 358 503
02 6491 7720


Mr David Williams
Managing Director
Kidder Williams Limited
ABN 81 117 667 204
0414 383 593



Acquisition of Lion Dairy & Drinks and Capital Raising

The Great Australian Food Company

26 November 2020



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Notices & Disclaimer

The following notice and disclaimer applies to this investor presentation (Presentation) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation is dated 26 November 2020 and has been prepared and authorised by Bega Cheese Limited (ABN 81 008 358 503) (Bega, BGA or the Company) in connection with the Company's proposed capital raising comprising: (a) an underwritten institutional placement of New Shares to certain professional and sophisticated investors (Placement) and (b) an underwritten accelerated non-renounceable rights issue (Entitlement Offer). The Placement and the Entitlement Offer are referred to as the Offer or the Capital Raising in this Presentation. As the context requires, a reference to "Bega", "Group", "we", "us" or "our" in this Presentation is a reference to the Company and its controlled subsidiaries.

Bell Potter Securities Limited (ABN 25 006 390 772) (Bell Potter) and UBS AG, Australia Branch (ABN 47 088 129 613) (UBS) are acting as joint lead managers and underwriters of the Offer (Underwriters).

NOT AN OFFER

This Presentation is not a prospectus, product disclosure statement, disclosure document or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)) or any other law. This Presentation is for information purposes only and is not an offer or an invitation to acquire the New Shares, securities or any other financial products in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

This Presentation does not constitute investment or financial advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

This Presentation may not be distributed or released in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

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The distribution of this Presentation (including an electronic copy) may be restricted by law in certain other countries. You should read the important information set out in the 'Foreign selling restrictions' in the Appendix to this Presentation. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

Each recipient of this Presentation should make their own enquiries and investigations regarding all information included in this Presentation including the assumptions, uncertainties and contingencies which may affect Bega's future operations and the values and the impact that future outcomes may have on Bega.



Important Notices & Disclaimer

SUMMARY INFORMATION

This Presentation contains summary information about Bega and its subsidiaries and their respective activities which is current only as at the date of this Presentation (unless otherwise stated). The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Bega or that would be required to be included in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. Bega's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This Presentation should be read in conjunction with Bega's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

MARKET AND INDUSTRY DATA

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers has independently verified any such market or industry data provided by third parties or industry or general publications.

NOT FINANCIAL PRODUCT ADVICE

This Presentation is for information purposes only and is not financial product advice or investment advice, nor a recommendation to acquire New Shares, will not form part of any contract for the acquisition of New Shares and has been prepared without taking into account the objectives, financial situation and needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of the New Shares. No cooling-off rights apply to the acquisition of new shares.

PAST PERFORMANCE

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied upon and is not an indication of future performance, including future share price information. Historical information in this Presentation relating to Bega is information that has previously been released to the market. For further details on that historical information, please see past announcements released by the Company to the ASX.

KEY RISKS

An investment in Bega is subject to known and unknown risks including possible loss of income and principal invested. Bega does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Recipients should read the 'Key Risks' in the Appendix to this presentation for a non-exhaustive summary of the key risks that may affect Bega and its financial and operating performance.



Important Notices & Disclaimer

FORWARD LOOKING STATEMENTS

The information in this Presentation is subject to change without notice and Bega is not obliged to update or correct it. This Presentation contains statements that constitute "forward-looking statements". The forward-looking statements in this Presentation include statements regarding Bega's intent, belief or current expectations with respect to the timetable, conduct, effect and outcome of the Offer and the use of proceeds therefore, statements about the plans, objectives and strategies of the management of the Group, statements about the industry and markets in which the Group operates, statements about the future performance of the Group's business activities and its financial condition, indicative drivers, forecasted economic indicators and the outcome of the Offer and the use of proceeds. Words such as "will", "may", "expect", "anticipate", "intend", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Bega, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain risk factors that may affect Bega. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

FINANCIAL INFORMATION

All dollar values are in Australian dollars (\$) unless otherwise stated. This Presentation includes certain historical financial information extracted from Bega's consolidated financial statements for the half-year ended 31 December 2019 and full-year ended 30 June 2020 (collectively, the "Historical Financial Information"). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (AAS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Bega's views on its future financial condition and/or performance. This Presentation includes certain pro forma financial information. The pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Bega's views on its future financial position and/or performance. The pro forma historical financial information has been prepared by Bega in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the AAS, other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2020. In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

Investors should also be aware that certain financial data included in this Presentation may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission or 'non-GAAP financial measures' under Regulation G of the US Securities Exchange Act of 1934. The non-IFRS financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this Presentation.

Investors should also be aware that certain financial data included in this Presentation may be 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission or 'non-GAAP financial measures' under Regulation G of the US Securities Exchange Act of 1934. The non-IFRS financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this Presentation.



Important Notices & Disclaimer

DISCLAIMER

No party other than Bega has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or makes or purports to make any statements, representations or undertakings in this Presentation. No person is authorised to give any information or make any representation in connection with the Capital Raising which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied upon as having been authorised by Bega or the Underwriters in connection with the Capital Raising. While the information in this Presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimate, opinions or other information contained in the Presentation.

To the maximum extent permitted by law, Bega, the Underwriters and their advisers, related bodies corporate, directors, officers, employees, representatives and agents:

- exclude and disclaim all liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct or indirect expenses, losses, damages or costs incurred as a result of participation in the Offer or the information in this Presentation being inaccurate or incomplete in any way for any reason;
- disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and take no responsibility for any part of this Presentation or that this Presentation contains all material information about Bega or that a prospective investor or purchaser may require in evaluating a possible investment in Bega, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

ACKNOWLEDGMENT

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the Capital Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Bega and the Underwriters; and
- each of Bega and the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

ACCEPTANCE

By attending an investor presentation or briefing, or accepting, assessing or reviewing this document you acknowledge and agree to the above.



Executive summary

Transaction overview

Transaction overview	<ul style="list-style-type: none">▶ Bega Cheese Limited (“Bega”) has entered into a binding agreement to acquire Lion Dairy & Drinks Pty Ltd (“LD&D”) for \$534 million¹▶ Implies EV / EBITDA multiple of 10.9x pro forma normalised LTM Sep-20 EBITDA² of \$56 million and 6.3x post synergy realisation³▶ In addition to the acquisition price, Bega expects to incur stamp duty and acquisition transaction costs (\$42 million), capital raising and debt funding costs (\$11 million), upfront transition costs (\$21 million), additional transition and separation costs (\$60 million)⁴
Lion Dairy & Drinks	<ul style="list-style-type: none">▶ One of Australia’s leading branded dairy and beverages companies with a portfolio of iconic brands holding #1 and #2 category share positions▶ Large-scale, well-invested national manufacturing capability as well as Australia’s largest national cold chain distribution network▶ LTM Sep-20 revenue of \$1.6 billion and pro forma normalised EBITDA² of \$56 million (post-AASB 16) excluding synergies
Acquisition rationale	<ul style="list-style-type: none">▶ Creates large-scale dairy and foods business with increased branded portfolio. Achieving 2023 branded portfolio target ahead of schedule▶ Highly complementary Consumer Packaged Goods (“CPG”) capability▶ Significant expansion of domestic distribution network, with a focus on route channel▶ Strengthens core dairy footprint▶ Substantial synergy opportunity (estimated at \$41 million per annum)▶ Financially compelling returns for shareholders



¹ Net acquisition price represents gross sale price of \$560 million less a \$26 million deduction for IT separation costs (net of tax)
² Represents post-AASB 16 pro forma normalised EBITDA, including Vitasoy JV: 49% of NPAT and a management fee, and 75% of Capital Chilled Foods (Australia) (“CCFA”) earnings
³ Including \$41 million of base case synergies. EV / EBITDA multiple on post-AASB 16 basis. EV including \$78 million finance lease liabilities
⁴ Refer to the uses of funds table on page 28 for further details on these costs.

Executive summary

Transaction overview

Transaction funding	<ul style="list-style-type: none">▶ All cash transaction funded with a combination of:<ul style="list-style-type: none">1. \$267 million debt from new and existing facilities, including a \$500 million acquisition facility¹2. An underwritten Capital Raising of \$401 million, comprising:<ul style="list-style-type: none">▶ a 1 for 4.5 pro-rata accelerated non-renounceable entitlement offer of approximately \$220 million, comprising an Institutional Entitlement Offer and a Retail Entitlement Offer ("Entitlement Offer") ; and▶ an institutional placement ("Placement") of approximately \$181 million▶ The transaction is expected to be double digit EPS accretive² in FY22³▶ Pro forma net debt at 30 June 2020 increases to \$518 million (post-AASB 16), implying to 3.3x net debt/EBITDA (3.1x pre-AASB 16)<ul style="list-style-type: none">▶ Strong deleveraging profile post transaction underpinned by synergies. Initiatives to further accelerate debt reduction post transaction being explored▶ Bega will also assume lease liabilities of \$78 million
Financial impact	
Director participation	<ul style="list-style-type: none">▶ The Bega Cheese Directors who are eligible to participate in the Entitlement Offer have each confirmed their intention to participate in whole or in part
Timing and conditions	<ul style="list-style-type: none">▶ The transaction is unconditional and expected to complete at the end of January 2021▶ ACCC pre-approval obtained
Bega trading update	<ul style="list-style-type: none">▶ Strong performance in branded business with continued focus on cost reduction initiatives▶ Softness in infant formula market▶ On track for FY21 consensus EBITDA⁴



¹ Acquisition facility term is 6 months

² Comparative EPS for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting

³ FY22 includes synergies of \$36 million

⁴ Consensus EBITDA \$124 million as at 24 November 2020

Strong strategic alignment

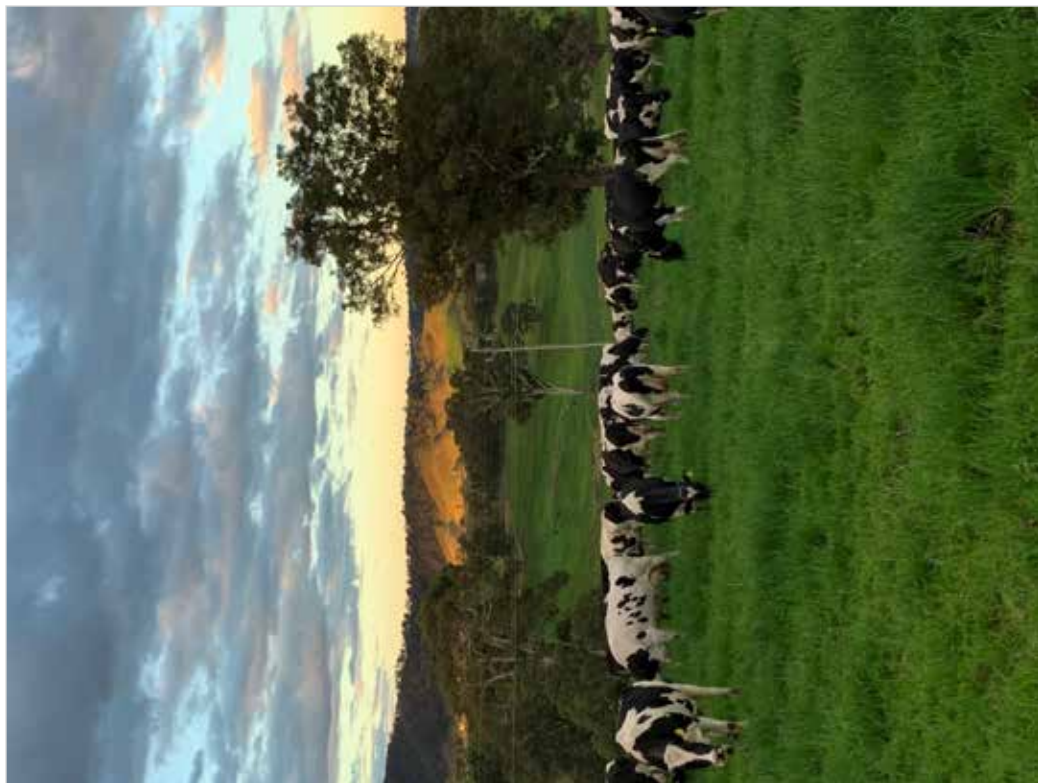


- ✓ Cultural fit – heritage, community, customers, suppliers
- ✓ Immediate delivery of Bega’s 2023 strategy to achieve 70% branded sales
- ✓ Complementary CPG capability to unlock competitive advantage
- ✓ Unique national cold chain distribution
- ✓ Substantial synergy potential – \$41 million per annum
- ✓ Compelling financial returns – expected to be double digit EPS accretive¹ in FY22²



¹ Comparative EPS for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting
² FY22 includes synergies of \$36 million

Overview of Lion Dairy & Drinks



Lion Dairy & Drinks highlights



Attractive portfolio of Milk-Based Beverages, Yoghurt, Juice, White Milk, Plant-Based Beverages, Culinary and other brands

Some of Australia's iconic dairy and beverage brands with #1 and #2 market share positions in its core categories

Australia's largest national cold chain distribution network

Large-scale, well invested national manufacturing capability across 13 sites

Pro forma LTM Sep-20 net revenue of \$1.6 billion and EBITDA of \$56 million¹ excluding synergies



¹ Represents post-AASB 16 pro forma normalised EBITDA, including Vitasoy JV: 49% of NPAT and a management fee, and 75% of CCFA earnings

Portfolio of well-known brands and assets

- Milk-Based Beverages

► Yoghurt

► White Milk

► Chilled and Ambient Juice
- Culinary (Cream and Custard)

► International chilled dairy business

► Yoplait brand (licensed)

► Water Ice brands
- Joint ventures:

► Vitasoy Australia Products

► Capitol Chilled Foods Australia (CCFA)

Strong Market Positions¹

- Milk Based Beverages

#1
- Yoghurt

#1
- White Milk

#2 (Branded)
- Chilled Juice

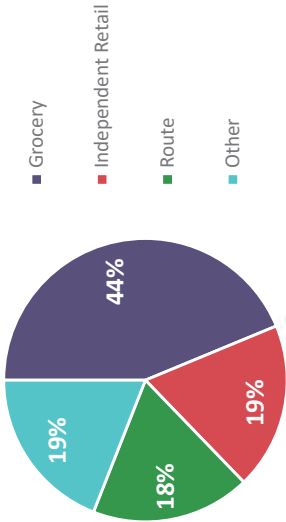
#1

Well Recognised Brands



Diverse Customer Base

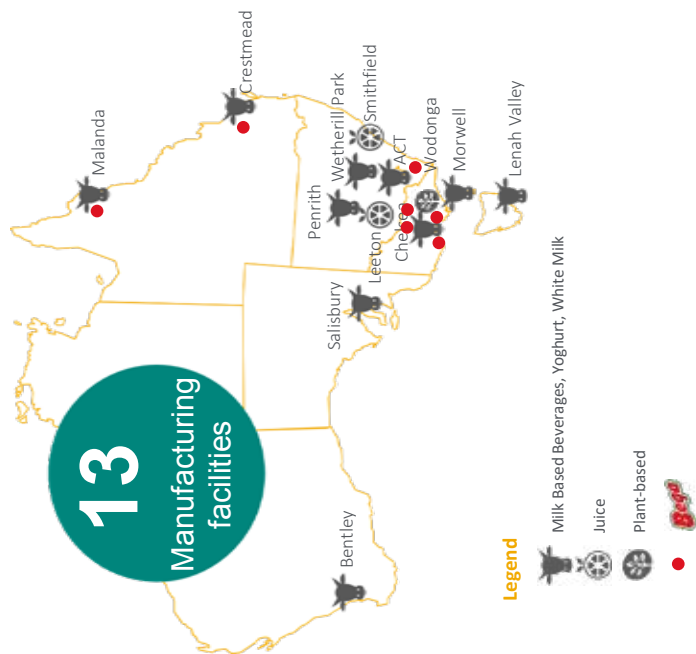
Net sales revenue by channel (LTM Sept-20)



¹ IRI Aztec – Grocery Channel (May 2020)

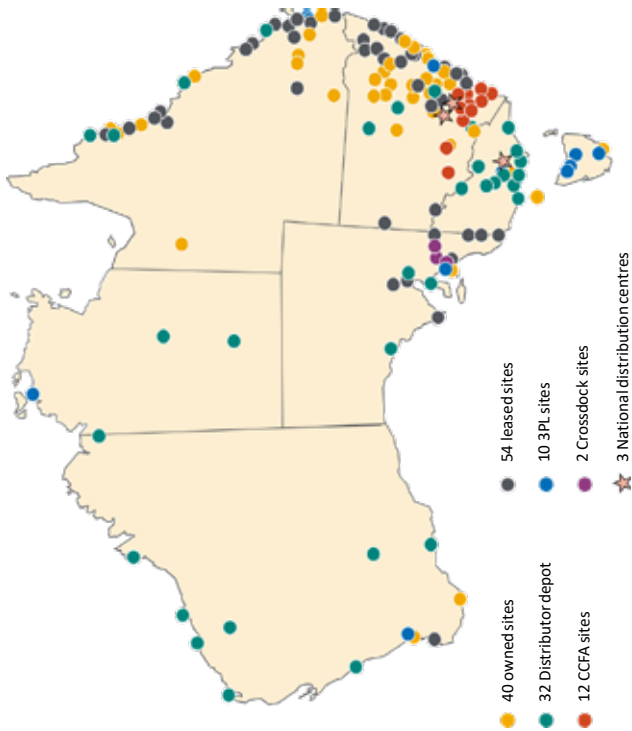
Australia-wide manufacturing footprint

- ▶ Large-scale, well-invested national manufacturing capability across 13 facilities
- ▶ Manufacturing Australia's most iconic dairy and beverage brands for 130+ years
- ▶ Manufacturing capabilities provide flexibility to produce multiple categories and a broad range of packaged formats
- ▶ Underpinned by significant recent investment in specialised Milk-Based Beverages facility at Wetherill Park and best-in-class yoghurt facility in Morwell (Gippsland)
- ▶ Fresh milk facilities in all states except Northern Territory with a capacity of approximately 700 - 900ML
- ▶ Footprint also includes:
 - ▶ Juice processing
 - ▶ Vitasoy facility in Wodonga under a JV arrangement
 - ▶ Canberra manufacturing site under the CCFA JV



Extensive distribution network and property portfolio

- ▶ Australia's largest national cold chain distribution network
- ▶ Major distribution centres within a network of 136 distribution centres nationally
- ▶ Integrated distribution network for scale, efficiency and flexibility
- ▶ Competitive differentiator through unparalleled connectivity between metropolitan, satellite and regional Australia
- ▶ In-market presence in key Asian markets in chilled dairy through LD&D's international business



Category overview

Milk Based Beverages

Market leading brands in a growing category

- ▶ #1 player in the category¹, with a national powerhouse brand in Dare and well-recognised state brands including Farmers Union, Big M, Masters and Dairy Farmers
- ▶ Market share of 49%¹ in a growing category to be supported by investment in brand marketing and innovation
- ▶ Well invested manufacturing capability provides a competitive differentiator
- ▶ Australia has the highest per capita consumption globally in flavoured milk and ready-to-drink coffee²



¹ IRI/Aztec – Grocery Channel (May 2020)

² Euromonitor, Dairy in Australia, 2013-2018 market performance stats

Yoghurt

Growing market opportunity with increasing recognition as a ‘better for you’ category

- ▶ #1 supplier¹ in the growing and profitable yoghurt category, participating with a broad range of national brands
- ▶ Best-in-class yoghurt facility in Morwell to support growth
- ▶ Yoplait, licenced under a Sodima agreement, is a leading brand in the Australian Yoghurt market
- ▶ Strong pipeline of growth initiatives and expansion plans to support premium product formats



Category overview

Chilled Juice

Consumer driven demand supporting growth opportunity

- ▶ Product portfolio includes well recognised brands in convenience and take-home formats
- ▶ Complementary business and culture with strong links to agriculture and prominence in the supply chain
 - ▶ 68 farmers supplying c.33kt fruit per annum
- ▶ Highly efficient manufacturing capability though primary and secondary processing plants in NSW
- ▶ Supplemented by cold chain distribution network with nationwide coverage



White Milk

Opportunity to leverage combined manufacturing footprint together with Bega's core dairy and processing expertise

- ▶ #2 branded manufacturer¹ with a suite of brands across traditional and specialised milk segments
- ▶ Category is the foundation of LD&D's cold chain distribution network
- ▶ Focus of operational synergy program



¹ IRI Aztec – Grocery Channel (May 2020)

Category overview

Other Brands

Portfolio includes Vitasoy joint venture providing exposure to the growing plant-based beverages market

- ▶ **Vitasoy** JV market leading plant-based beverages brand aligned with consumer trends in HORECA¹ channels
- ▶ **Capitol Chilled Foods Australia (CCFA)** JV between LD&D and Bega manufacturing and distributing milk and MBB products under the LD&D brands and the Canberra Milk brand
- ▶ **Culinary (Cream and Custard)** Pura and Dairy Farmers brands primarily distributed in non-grocery channel
- ▶ **Water Ice** portfolio includes Zooper Dooper brand, capturing summer season opportunities
- ▶ **Ambient Juice** low-value legacy category including Berri and Mildura brands. Provides scale and efficiency in juice manufacturing



¹ HORECA – Hotel, Restaurant and Catering

Financial profile of LD&D

Key financials (LTM Sep-20)

Revenue : \$1.6 billion

EBITDA¹ : \$56 million



¹ Represents post-AASB 16 pro forma normalised EBITDA, including Vitasoy JV, 49% of NPAT and a management fee. Excludes the impact of synergies

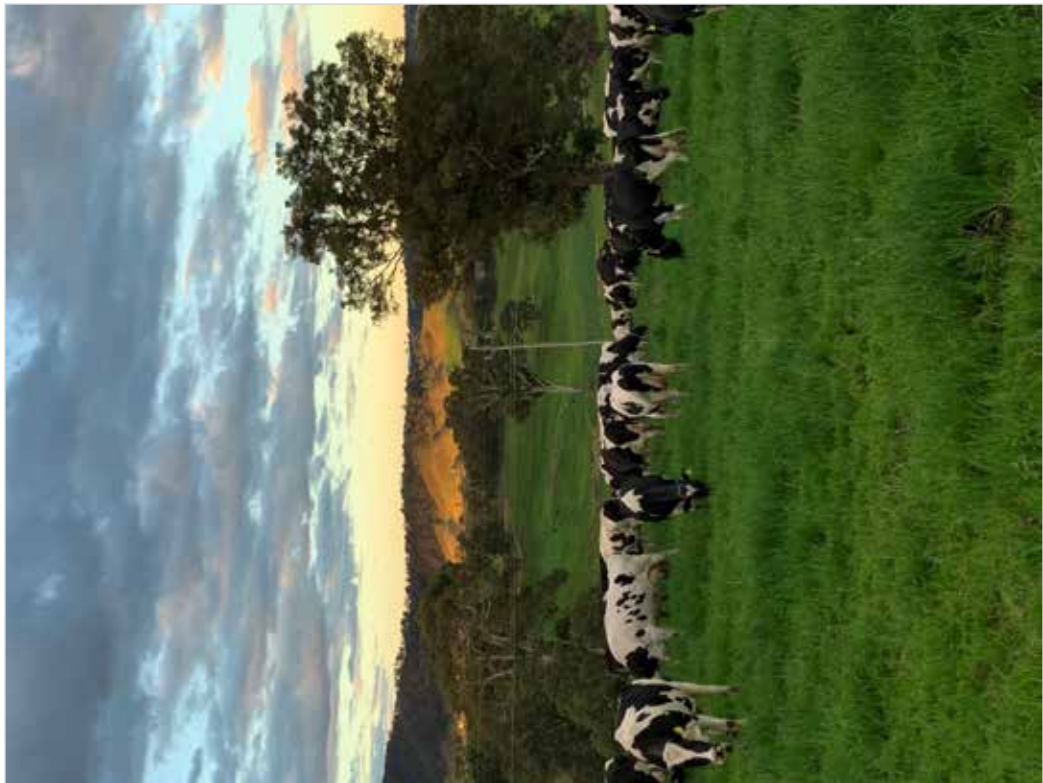
² Includes AASB 16 depreciation of \$13 million



Recent drivers

- ▶ Historical revenue has been stable at c.\$1.6 billion, with earnings primarily derived from Milk Based Beverages, Yoghurt, Culinary and Water Ice categories
- ▶ Milk Based Beverages and Yoghurt accounted for 91% of LTM Sep-20 category contribution of \$211 million
- ▶ White Milk has been historically challenged by suppressed retail pricing
- ▶ LTM Sep-20 non-manufacturing overheads, other income and other expenses amounted to \$155 million, excluding \$41 million of depreciation charges²
- ▶ Historical EBITDA seasonality LTM Jun-20 of 1H: 82% / 2H: 18%
- ▶ Business positioned to return to EBITDA growth driven by a combination of continued revenue growth in yoghurt combined with stabilisation of retail white milk prices and cost-out initiatives

Acquisition rationale



Acquisition Rationale

1. Creates large-scale dairy and foods business with increased branded portfolio. Achieving 2023 branded portfolio target ahead of schedule
2. Highly complementary CPG capability
3. Significant expansion of domestic distribution network, with a focus on route channel
4. Strengthens core dairy footprint
5. Substantial synergy opportunity (estimated at \$41 million per annum)
6. Financially compelling returns for shareholders



Strong alignment with Bega's 2023 strategy

Pre 2017

Limited investment in brands

- Fonterra responsible for Bega brand in Australia
- Long established international branded presence via distributors
- Minimal direct investment in supporting brands
- Reliance on large contract manufacturing relationships

Branded sales

20%

Now

Building brand growth engine

- Extension of Bega brand into new categories
- Vegemite acquisition
- Developing sales and marketing capability
- Re-investment in brand portfolio and innovation
- Strengthening international presence

Branded sales

59%

Our focus

Increase brand organic growth rate

Improve branded margins

Expand brand portfolio

2023

Acquisition of LD&D accomplishes strategic objectives

- ✓ Strong brand platform for future growth
- ✓ Strong portfolio of brands
- ✓ Balanced top and bottom line brand growth
- ✓ Strong brand capability extended across multiple geographies and categories

Branded sales¹

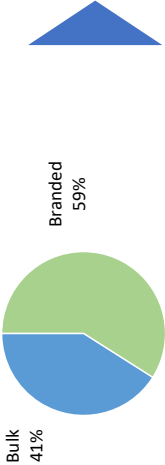
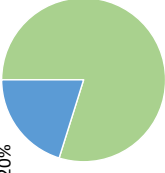
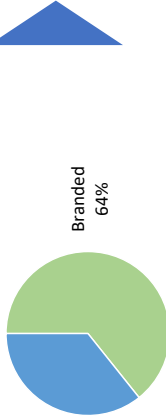
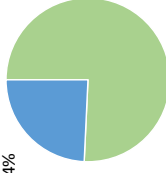
70%

Strengthens core dairy footprint

1. 75% increase in milk intake to 1.7 billion litres per annum with sizable increase in NSW and entry into new regions: QLD, WA, TAS, and SA
2. Expanded product capability with new branded dairy categories:
 - ▶ Dairy drinks (Milk Based Beverages, White Milk)
 - ▶ Yoghurt
 - ▶ Culinary (Cream and Custard)
3. Expands manufacturing footprint into new regions including strategic region of Gippsland
4. Complementary supply profile provides opportunity to optimise utilisation of milk intake across a significantly expanded manufacturing footprint



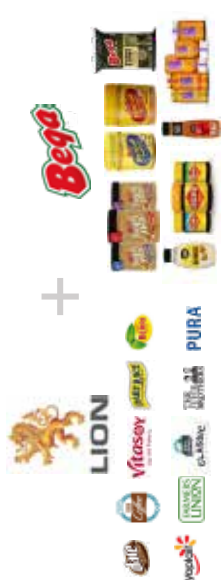


Increasing branded sales

Bega standalone (FY20)		
Revenue composition by segment	 <p>Bulk 41% Branded 59%</p>	Pro forma Bega (FY20) and LD&D (LTM Sep-20)
	 <p>Bulk 20% Branded 80%</p>	
EBITDA by segment	 <p>Bulk 36% Branded 64%</p>	Pro forma Bega (FY20) and LD&D (LTM Sep-20)
	 <p>Bulk 24% Branded 76%</p>	



¹ Bulk includes inter-segment eliminations
² EBITDA presented post AASB 16 and before unallocated overhead

Highly complementary CPG capability

Combined portfolio of market leading brands		Enhanced manufacturing capability		Expansion of points of distribution	
		 Manufacturing facilities		 Distribution centres and warehouses	
Combined		Combined		Combined	
13		7		136	
+		+		+	
20		20		10	
<ul style="list-style-type: none">▶ Rare opportunity to acquire LD&D's portfolio of iconic brands holding #1 and #2 category share positions▶ Combination creates a powerful and resilient business in branded consumer packaged foods▶ Diversification into complementary markets and high returning categories that decreases exposure to lower margin bulk dairy business		<ul style="list-style-type: none">▶ Australia-wide manufacturing capability across a combination of 20 facilities▶ Complements Bega's significant knowledge of lean and innovative food manufacturing processes▶ Strengthened supply chain and organisational capability▶ Builds innovation capability in yoghurt as well as dairy and plant-based beverages		<ul style="list-style-type: none">▶ Access to Australia's largest national cold chain distribution network▶ Integrated distribution network for scale, efficiency and flexibility▶ Enhances Bega's access to route and food service channels▶ Leverage LD&D in-market presence in key Asian markets in chilled dairy	
Combined brand, product and manufacturing capabilities should drive marketing efficiencies, unique increased retail presence and consumption opportunities					



Substantial synergy opportunity

Synergy	Drivers
 Corporate reorganisation	<ul style="list-style-type: none">▶ Integration and optimisation of corporate support functions▶ IT systems, commercial cross-over as well as finance functions and processes▶ Coordinated approach to mitigate disruption to the underlying business and prioritise stability and continuity of customer relationships
 Milk supply and operation	<ul style="list-style-type: none">▶ Access to a greater milk supply network and favourable milk demand patterns▶ Opens up opportunities for joint optimisation and efficiency▶ Cost to serve improvements through protein standardisation and route optimisation among the leading opportunities
 Indirect procurement	<ul style="list-style-type: none">▶ Opportunity to leverage Bega's significant knowledge of lean and innovative food manufacturing processes▶ Leveraging purchasing from common indirect categories▶ Primarily driven by packaging, media, MRO and services
 Cultural alignment	<ul style="list-style-type: none">▶ Cultural fit through heritage, community, customers and suppliers provides stability▶ Track record for building long-term partnerships supporting integration▶ Strong employee engagement and low turnover rate instilled across both businesses▶ Ensuring cultural standards appreciated and maintained
<div>High confidence in base case synergies \$41 million per annum</div>	



Financially compelling returns for shareholders

- ▶ Significant synergy opportunity – high confidence in base case synergies of \$41 million per annum (\$36 million expected to be realised in FY22)
- ▶ Transaction expected to be double digit EPS accretive¹ in FY22²
- ▶ Bega to maintain a strong balance sheet post Acquisition to support growth
 - ▶ Secured an additional Acquisition facility³ and extended and increased its existing core debt facilities to fund the Acquisition
 - ▶ Financial covenants remain unchanged
 - ▶ Pro forma FY20 net debt of \$518 million and net debt / EBITDA of 3.3x (3.1x pre-AASB 16)
- ▶ Synergy generation and additional initiatives expected to support strong deleveraging post transaction. Bega remains committed to target leverage below 2.0x in the near to medium term
- ▶ Additional initiatives being explored to further accelerate debt paydown include sale and/or sale and lease-back opportunities of freehold property and divestment of non-core assets
- ▶ No change to Bega's dividend approach as a result of the Acquisition

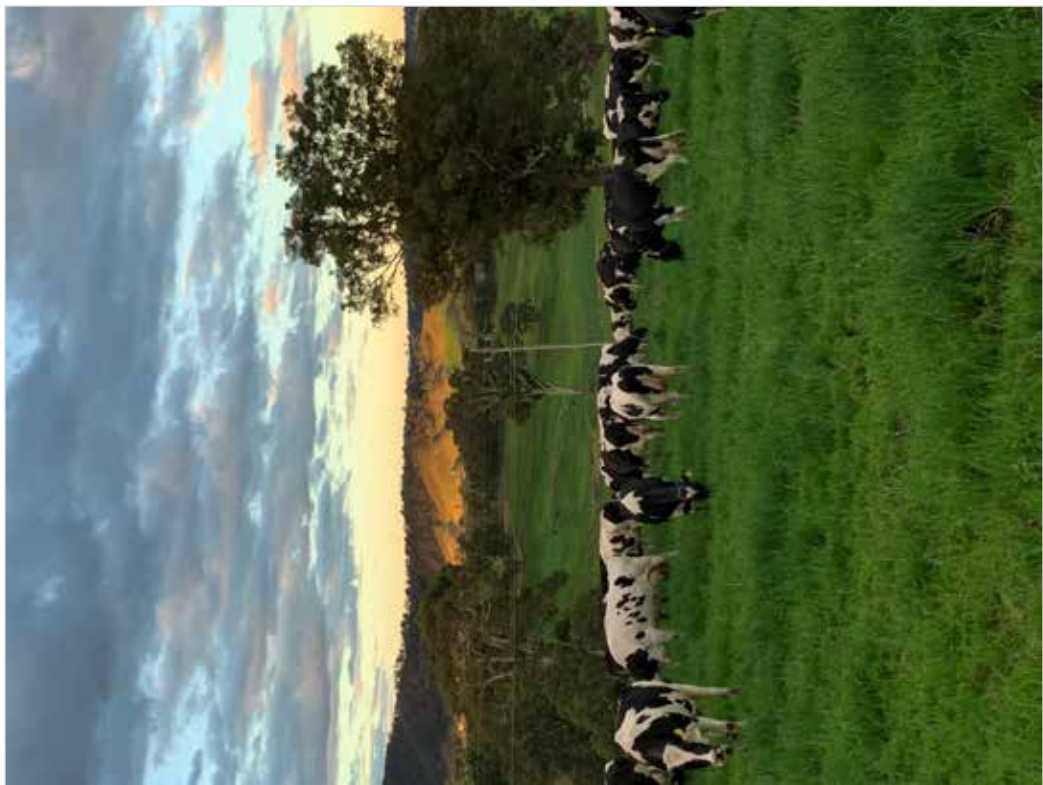


¹ Comparative EPS for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting

² FY22 includes synergies of \$36 million

³ Acquisition facility term is 6 months

Transaction funding and financial impacts



Details of the Capital Raising

Offer structure and size	<ul style="list-style-type: none"> Underwritten Capital Raising of \$401 million which comprises: <ul style="list-style-type: none"> a 1 for 4.5 pro-rata accelerated non-renounceable entitlement offer of approximately \$220 million, comprising an Institutional Entitlement Offer and a Retail Entitlement Offer¹ (Entitlement Offer); and an institutional placement (Placement) of approximately \$181 million. Approximately 87 million new fully paid ordinary shares in Bega (New Shares) to be issued under the Capital Raising, representing approximately 41% of existing Bega shares on issue
Offer price	<ul style="list-style-type: none"> All shares under the Placement and the Entitlement Offer will be issued at a fixed price of \$4.60 per New Share (Offer Price). This Offer Price represents a: <ul style="list-style-type: none"> 9.1% discount to the last traded price of \$5.06 on Friday, 20 November 2020; and 7.6% discount to TERP² of \$4.98.
Record date	<ul style="list-style-type: none"> Record date 7:00pm (Sydney time) on Monday, 30 November 2020
Institutional Entitlement Offer and Placement	<ul style="list-style-type: none"> The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Thursday, 26 November 2020 Entitlements under the Institutional Entitlement offer that are not taken up and entitlements of ineligible institutional shareholders will be offered for sale in the bookbuild
Retail Entitlement Offer	<ul style="list-style-type: none"> The Retail Entitlement Offer will open on Wednesday, 2 December 2020 and close on Monday, 14 December 2020 Eligible retail shareholders who take up their entitlement in full under the Retail Entitlement Offer can also apply for additional New Shares in excess of their entitlement up to a maximum of 50% of their entitlement under a 'top up' facility
Ranking	<ul style="list-style-type: none"> New Shares will rank equally in all respects with Bega's existing ordinary shares New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer
Director participation	<ul style="list-style-type: none"> The Bega Cheese Directors who are eligible to participate in the Entitlement Offer have each confirmed their intention to participate in whole or in part
Underwriting ³	<ul style="list-style-type: none"> UBS AG, Australia Branch and Bell Potter Securities Limited are joint lead managers and underwriters to the Capital Raising
Risks	<ul style="list-style-type: none"> Participation in the Capital Raising is subject to risks (see the Appendix for details)

¹ The Retail Entitlement Offer is only available to eligible retail shareholders of Bega with a registered address on the Company's share register in Australia or New Zealand on the Record Date - see the Retail Offer Booklet for further details on eligibility once available

² Theoretical ex-rights price (**TERP**) includes the New Shares to be issued under the Entitlement Offer (but not the Placement). TERP is the theoretical price at which Shares should trade on ASX immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Bega's Shares as traded on ASX on Friday, 20 November 2020.

³ Subject to the "Overview of the Underwriting Terms" as summarised on pages 35-38 of this Presentation



Sources and uses of funds

Transaction funding structure

Debt facilities	▶ Bega has secured a \$70 million increased facility limit of Syndicated Revolving 1 to \$140 million, with a 2-year term. Furthermore, Syndicated Revolving 2, with a facility limit of \$140 million, has been renewed for 2 years
	▶ This increases Bega's existing core debt facility limit from \$51.7 million to \$587 million to support the acquisition of LD&D
	▶ Bega has also obtained an acquisition facility ¹ of \$500 million
	▶ Financial covenants remained unchanged
Entitlement offer	▶ A 1 for 4.5 pro-rata accelerated non-renounceable Entitlement Offer to raise gross proceeds of up to \$220 million
Placement	▶ An institutional placement of \$181 million

¹ Acquisition facility term is 6 months

² This includes estimated stamp duty (\$35.0 million) and acquisition transaction costs (\$7.3 million)

³ This includes \$2.5 million of debt upfront fees and \$8.5 million of Capital Raising transaction costs

⁴ This reflects an estimate of upfront integration costs (\$20.8 million) required shortly following the Transaction

⁵ This includes IT separation costs (\$37.0 million), additional transitional operating costs (\$15.8 million) and upfront capex (\$7.2 million) expected to be incurred during the 12 months following the Transaction

Sources and uses of funds

Sources of funds	\$m
Placement	181
Entitlement offer	220
New and extended debt facilities	210
Acquisition facility	57
Total sources of funds	668
Uses of funds	\$m
Acquisition price	534
Stamp duty and acquisition transaction costs ²	42
Capital raising and debt funding costs ³	11
Upfront integration costs ⁴	21
Additional transition separation costs ⁵	60
Total uses of funds	668



Pro forma balance sheet

In \$'m	Bega ¹	Capital Raising ²	Debt Funding ³	Lion Dairy and Drinks ⁴	Acquisition Adjustment ⁵	Transaction and Upfront Costs ⁶	Pro forma Post Acquisition
Cash and cash equivalents	22.9	392.5	198.4		(534.1)	(56.8)	22.9
Trade and other receivables	117.4			194.1			311.5
Inventories	257.4			93.3			350.7
Property, plant and equipment	446.0			496.2			942.2
Rights-of-use assets	8.8			61.4			70.1
Intangible assets	548.1						548.1
Other Assets	22.9			45.4			68.3
Total Assets	1,423.4	392.5	198.4	890.4	(534.1)	(56.8)	2,313.9
Trade and other payables	253.4			159.5			412.9
Borrowings	247.3		198.4				445.7
Finance lease liabilities	11.3			77.8			89.1
Provisions	52.4			73.7			126.2
Deferred tax liabilities	45.0						45.0
Other Liabilities	0.1			3.4			3.5
Total Liabilities	609.4	-	198.4	314.5	-	-	1,122.3
Share capital	480.5	392.5		575.9	(575.9)		873.0
Reserves	20.9						20.9
Retained earnings	312.7				41.8	(56.8)	297.7
Net Assets	814.0	392.5	-	575.9	(534.1)	(56.8)	1,191.5
Net Debt ⁷	241.8	(392.5)	-	77.8	534.1	56.8	518.0
EBITDA ⁸	103.0			55.9			158.9
Net Debt / Equity	29.7 %						43.5 %
Net Debt / (Net Debt + Equity)	22.9 %						30.3 %
Net Debt / EBITDA (post-AASB 16)	2.3 x						3.3 x
Net Debt / EBITDA (pre-AASB 16)	2.3 x						3.1 x

Notes:

- Net Assets of Bega as reported at 30 June 2020. Refer to the Investors section on Bega's website for Bega's FY20 annual report
- Assumes proceeds from the Capital Raising of approximately \$401 million. Estimated gross transaction costs of \$8.5 million are offset against Capital Raising proceeds. \$401 million Equity Raising proceeds are underwritten however the underwriting agreement is subject to certain termination events and may be terminated
- Reflects the drawdown of \$198 million of core debt facilities in order to fund the acquisition and the Transaction and Upfront Costs. These costs will be funded through Bega's new and existing debt facilities and internal cash. Estimated total debt facility costs of \$2.5 million will be capitalised and amortised throughout the term of the debt facilities
- Lion Dairy and Drinks Assets reflects the assets of the Lion Dairy and Drinks business based on unaudited pro forma financial information as at August 2020. Includes land and buildings book value of \$220 million
- Reflects the acquisition price of Lion Dairy and Drinks of \$534.1 million and an illustrative \$41.8 million impact to retained earnings arising from the acquisition. The total acquisition price is subject to customary completion adjustments in respect of working capital and net debt. This adjustment to reflect the estimated financial effect of accounting for the acquisition of Lion Dairy and Drinks is illustrative only, and does not reflect a full allocation of the fair value of assets and liabilities acquired. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired which has not been undertaken and may result in a materially different outcome to the illustrative impact presented here. The Company has 12 months from the date of acquisition to finalise the provisional purchase price accounting
- Reflects approximately \$35.0 million of stamp duty, approximately \$7.3 million of acquisition transaction costs, approximately \$14.5 million (after tax) of upfront integration costs. This does not include additional transition and separation costs identified in the uses of funds on page 28
- Net debt includes finance lease liabilities and \$6.1 million of bank guarantees but excludes trade receivable facility
- Reflects Bega FY20 normalised EBITDA and pro forma, normalised EBITDA for Lion Dairy and Drinks for the 12 months ended September 2020, based on unaudited financial information, prior to one off transaction, transition and upfront costs and any impact arising from finalisation of the purchase price accounting



Capital Raising timetable

Event	Date
Announcement of Offer, Institutional Entitlement Offer and Placement opens	Thursday, 26 November 2020
Institutional Entitlement Offer and Placement closes	Thursday, 26 November 2020
Announcement of results of Institutional Entitlement Offer and Placement	Friday, 27 November 2020
Trading halt is lifted and trading resumes on an "ex-entitlement" basis	Friday, 27 November 2020
Record date for the Entitlement Offer (7:00pm Sydney time)	Monday, 30 November 2020
Settlement of New Shares issues under the Institutional Entitlement Offer and the Placement	Wednesday, 2 December 2020
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched	Wednesday, 2 December 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Thursday, 3 December 2020
Retail Entitlement Offer closes (5:00pm Sydney time)	Monday, 14 December 2020
Announcement of results of Retail Entitlement Offer	Thursday, 17 December 2020
Settlement of Retail Entitlement Offer	Friday, 18 December 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 21 December 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 December 2020
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 23 December 2020



All dates and times are indicative and Bega reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

Bega Trading Update



Trading update

Strong performance in branded business, with continued focus on cost reduction initiatives

- ▶ Strong retail sales performance from branded business driven by heritage brand performance and product innovation
- ▶ Execution of organisation review delivering headcount reduction and material savings in non-manufacturing costs
- ▶ Continued reduction of manufacturing costs and optimisation of secondary manufacturing footprint
- ▶ Koroit Lactoferrin plant is operational and producing volumes in line with contractual agreement
- ▶ Favourable domestic seasonal conditions with solid rainfall across the Eastern Seaboard
- ▶ Stable global dairy commodity prices

Continued softness in infant formula market

- ▶ Infant formula market has softened due to pressure on distribution channel

On track for FY21 consensus¹

- ▶ We remain comfortable with the normalised EBITDA consensus for the core Bega business (excluding LD&D), which represents strong year-on-year growth from FY20



* See note 32 (Annual Report) for details about restatements
¹ EBITDA \$124 million as at 24 November 2020

Appendix



Overview of Transaction Documents

Share Sale and Purchase Agreement

- ▶ Bega has agreed to purchase all of the shares (Sale Shares) in Lion-Dairy & Drinks Pty Ltd (Target) from Kirin Foods Australia Holdings Pty Ltd (Seller) under the terms of a Share Sale and Purchase Agreement ("SPA") between Bega, the Seller and Lion Pty Ltd ("Seller Guarantor"). The Target is the holding company of various entities ("LDD Group") that, collectively, carry on the Lion-Dairy & Drinks business ("LDD Business"). The Purchase Price payable by the Seller for the Sale Shares is \$560 million less \$26 million deduction for IT separation costs (net of tax) and subject to adjustments to be made under the terms of the SPA including a process for the adjustment of the cash, debt, tax liabilities and working capital of the LDD Group at the completion date ("Completion"). The SPA contains provisions setting out this adjustment process as well as warranties concerning the LDD Group and the business and an indemnity in respect of the tax liabilities relating to the period up to Completion, with a guarantee in respect of the obligations of the Seller by the Seller Guarantor.

Transitional Services Agreement

- ▶ The LDD Group currently operates in conjunction with the broader Lion group and the sale to Bega will require the LDD Group to develop various computer and related systems (LDD systems) in order to operate on a stand-alone basis. In order to facilitate this process, the Seller Guarantor has agreed to provide various transitional services to the Target and the Buyer for a period of time after Completion to enable the Business to continue to operate while it develops its own systems. The provision of these services is documented in a Transitional Services Agreement between Bega, the Target and the Seller Guarantor. Bega will pay fees for these services and will develop a transition out plan under which data relating to the LDD Business will be migrated to the LDD systems once they are in place.



Overview of the Underwriting Agreement terms

Summary of Underwriting Agreement

Bell Potter Securities Limited (ABN 25 006 390 772) ("**BPS**") and UBS AG, Australia Branch (ABN 47 088 129 613) ("**UBS**", together with BPS, the "**Underwriters**") will be acting as underwriters, joint managers and bookrunners to the Capital Raising ("**Offer**"). Bega entered into an underwriting agreement with the Underwriters in respect of the Offer on 26 November 2020 ("**Underwriting Agreement**").

Key terms of Underwriting Agreement

Each Underwriter's obligations under the Underwriting Agreement, including to underwrite the Offer, and manage the Offer, are conditional on certain matters, including but not limited to, the agreement for the acquisition of LDD ("**Acquisition Agreement**") having been validly executed and not having been terminated, the debt term sheet for the acquisition facility having been validity executed and not having been terminated, delivery of due diligence materials to the Underwriters before the Offer is announced, ASX and ASIC granting the applicable waivers and modifications, and Bega releasing to ASX an announcement that discloses the Offer.

If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- ▶ any offer document does not comply with the Corporations Act (including if a statement in any of the offer documents is or becomes misleading or deceptive or likely to mislead or deceive, including by omission);
- ▶ a cleansing notice is or becomes defective or Bega is required to give a corrective statement in relation to a cleansing notice;
- ▶ ASIC applies for certain orders under the Corporations Act in relation to the Offer or an offer document, or commences an investigation or hearing in relation to the Offer or the offer documents, and such application, investigation or hearing either becomes public, or is not withdrawn within 2 business days after it is made or commenced;
- ▶ ASIC or any the governmental agency makes an order or determination which prevents or is likely to prevent Bega from proceeding with the Offer in accordance with the timetable;



Overview of the Underwriting Agreement terms

- ▶ any Group company becomes insolvent;
- ▶ Bega ceases to be admitted to the official list of ASX or its ordinary shares are suspended from official quotation, or cease to be quoted, on ASX (for any reason other than a trading halt in connection with the Offer);
- ▶ prior to the institutional settlement date or the retail settlement date, the S&P/ASX 200 Index falls to a level that is 12.5% or more below its level as at close of trading on the business day immediately preceding the date of the Underwriting Agreement (or, in the case of the retail settlement date, remains at or below that level for at least 2 consecutive business days or closes at or below that level on the business day immediately prior to the retail settlement date);
- ▶ Bega withdraws the Offer or any of the offer documents;
- ▶ Bega is prevented from conducting or completing the Offer; or
- ▶ certain actions are taken against Bega's directors or senior management, including being charged with an indictable offence, a governmental agency commences any public action against them in that capacity, or they are disqualified from managing a corporation.

The following (amongst others) are also termination events, but an Underwriter must not terminate on the basis of any of these events unless it has reasonable grounds to believe that the event: (a) has or could be reasonably expected to have a material adverse effect on the success, settlement or marketing of the Offer or on the ability of that Underwriter to market or promote or settle the Offer or on the price at which Bega shares are likely to trade on ASX during or following the Offer; or (b) will, or is likely to, give rise to, a contravention by that Underwriter (or its affiliates) of, or give rise to a liability of that Underwriter (or its affiliates) under, any applicable law:

- ▶ any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group;
- ▶ a change in the board or senior management of Bega is announced or occurs;
- ▶ a representation, warranty, undertaking or obligation contained in this agreement on the part of Bega is breached, becomes not true or correct or is not performed;



Overview of the Underwriting Agreement terms

- ▶ any information supplied by Bega to the Underwriters in relation to the Group or the Offer is, or becomes, misleading or deceptive (including by omission);
- ▶ there is introduced, or a proposal to introduce, a new law in Australia, or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- ▶ without the prior written consent of the Underwriters, the Acquisition Agreement or the debt acquisition facility is terminated (or becomes capable of being terminated), rescinded or repudiated or rendered void, illegal or otherwise unenforceable, or amended in a manner which has a material adverse effect;
- ▶ Bega makes a public statement or notifies the Underwriters that it cannot or does not intend to proceed with the acquisition of LDD, or a condition precedent in the Acquisition Agreement is not capable of being satisfied within the time allowed for satisfaction;
- ▶ hostilities commence or a major escalation in existing hostilities occurs or a significant terrorist act is perpetrated, in any of Australia, NZ, Japan, Russia, UAE, North Korea, South Korea, Hong Kong, Singapore or any member state of the European Union, the PRC, the UK or the US, or a national emergency is declared in any of those countries or there is an escalation of a national emergency in any of those countries;
- ▶ a general moratorium on commercial banking activities in the countries referred to above is declared by the relevant central banking authority or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
- ▶ trading in all securities quoted or listed on the ASX, NYSE or LSE is suspended or limited in a material respect for a day on which that exchange is open for trading.

For details of the fees payable to the Underwriters, see the Appendix 3B released to ASX on 26 November 2020.

Bega also gives certain representations, warranties and undertakings to the Underwriters and an indemnity to the Underwriters and its affiliates subject to certain carve-outs.



Risks

This section discusses some of the risks associated with an investment in shares in Bega. These risks may affect the future operating and financial performance of Bega and the value of Bega's shares.

The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Bega.

Before investing in Bega, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Bega (including this Presentation and information available on the websites of Bega and ASX), carefully consider their personal circumstances and consult their financial or other professional advisers before making an investment decision. Additional risks and uncertainties that Bega is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Bega's operating and financial performance.

Nothing in this Presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances. Bega is not licensed to provide financial product advice.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Bega, its directors, senior management and advisers. Further, you should note that this section focuses on potential risks and does not purport to list every risk that Bega may have now or in the future. It is also important to note that there can be no guarantee that Bega will achieve its stated objectives or that any forward-looking statements or forecasts contained in this presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of New Shares under the Capital Raising.

The risks described in this section are categorised as follows:

1. Specific Bega Investment Risks;
2. Acquisition Risks;
3. General Bega Investment Risks; and
4. Capital Raising Risks.

References to Bega in this section include the LDD Business following completion of the acquisition of the Sale Shares by Bega.



Specific Bega Investment Risks

Milk and other key ingredient supply and pricing

- ▶ Bega relies on milk supply from its farmer suppliers. In turn, the farmer suppliers need suitable climatic conditions in order to produce pasture and source grain and hay/fibre to feed their dairy herds.
- ▶ Farmer suppliers are not generally under long term supply contracts, and milk prices are usually set and communicated to farmer suppliers on an annual basis. Farmer suppliers are generally free to supply alternative buyers if they so wish. The price paid to farmer suppliers for their milk is a key factor in being able to attract and retain supply. Milk prices paid are a function of the returns that Bega can achieve for its dairy products. If Bega cannot achieve a return that enables it to be competitive there is the potential to lose some supply of milk from farmer suppliers.
- ▶ Besides milk, other key ingredients, including peanuts, are used by Bega. An inability to access the necessary volumes of such key ingredients on favourable commercial terms may result in reduced output of its products.
- ▶ Certain costs of doing business are outside Bega's control. For example Bega's cost of doing business is impacted by the farmgate milk prices which are a major component of its dairy products and global peanut prices and sourcing which are a major component of its peanut butter products.

COVID-19 risk

- ▶ Due to the COVID-19 global pandemic, Bega has been designated a 'permitted business', with no restrictions and under a COVID-19 Safe Plan. It has been able to continue operating throughout the pandemic period and during the Stage 4 Victorian lockdown. However, there are a number of additional risks faced by Bega and its businesses. These include the risk of:
 1. Retail partners of Bega being unable to operate due to lockdown or mandatory quarantine, impacting sales;
 2. Bega or its manufacturing partners being unable to operate their factories due to lockdown or mandatory quarantine, impacting supply of products;
 3. Bega and its supply chains being interrupted due to lockdown or mandatory quarantine, impacting supply of products;
 4. Bega not being able to effectively manage its workforce during any periods of lockdown or mandatory quarantine, impacting on its ability to execute on its business strategy;
 5. Customers of Bega ceasing to operate and Bega not being able to collect outstanding receivables or customers materially adjusting trading terms, impacting Bega's net revenue; and
 6. A general downturn in the global economy due to the COVID-19 pandemic causing consumers to reduce discretionary purchases, impacting on the overall sales of Bega.
- ▶ Investors should be aware that the COVID-19 global pandemic and related actions taken in response by the Australian Federal and State governments and foreign governments continues to evolve and with ongoing uncertainty, and there could be negative impacts on Bega's business (whether specific to Bega or general) that are beyond Bega's control



Specific Bega Investment Risks

Fonterra legal proceedings

- ▶ In 2001, Bega granted Fonterra Brands (Australia) Pty Ltd (Fonterra) an exclusive licence to use the Bega trademarks in Australia on natural cheddar cheese, processed cheddar cheese, string cheese and butter (Licensed Products). Fonterra commenced legal proceedings in the Supreme Court of Victoria seeking orders including declarations that Bega cannot use the Bega trademarks in Australia on products outside of the Licensed Products without Fonterra's consent, as well as damages. Bega, as owner of the trademarks, has vigorously opposed Fonterra's position and asserted its rights to use its trademarks in Australia. Bega has also made various counter claims in respect of alleged breaches of the licence by Fonterra. The hearing by the Supreme Court of Victoria has concluded and the parties are awaiting the decision of the Court. If Fonterra is successful in its claim, Bega may need to seek Fonterra's consent to its continued use of the Bega brand in Australia on peanut butter products or change the branding of those products. A change to the branding of may adversely affect sales of the products.

International dairy commodity prices

- ▶ Dairy commodity prices fluctuate in accordance with global supply and demand. The market prices of core products of Bega such as cheddar cheese, milk powders and butter are all affected by the global commodities market. To some extent, even those products not exported but traded within the domestic market are similarly affected. There is risk that a decline in commodity prices may reduce the prices at which Bega is able to sell its products, thereby adversely impacting Bega's earnings unless input prices for raw materials, including milk, can be adjusted to reflect this change.

Changing consumer trends

- ▶ Sales of Bega's products are affected by consumer trends. Failure to ensure that its product portfolio and manufacturing capability remains relevant to changing consumer trends could have an adverse impact on Bega.

Failure to maintain key customer relationships

- ▶ Bega's business relies on key customer relationships and a failure to maintain those relationships could adversely impact Bega's operating and financial performance, which may in turn impact Bega's share price.



Specific Bega Investment Risks

Failure to maintain supplier relationships

- ▶ Failure to maintain supplier relationships could adversely impact Bega. In addition, there is a risk that existing arrangements with key customers are not renewed or extended at the end of their term, or any extension or renewal may not be on as favourable terms.

Product quality and liability risk

- ▶ The nature of products supplied by Bega is that of a consumable food product. Such products may be liable to infestation, mould and other biological impacts which occur in natural products. Such products may also be subject to processing and production defaults against specification. Any product liability event may have a materially adverse effect on Bega's financial performance and position.
- ▶ Product quality issues can damage Bega's reputation and customer demand for products.

Reputation and Brand Risk

- ▶ A decline in the high level of loyalty and trust that Bega enjoys with its customers could compromise the market positions of their products and adversely affect Bega's operating and financial performance. This could occur as a result of a wide range of factors or events, including:
 1. A product contamination and/or recall;
 2. A major workplace health and safety incident occurring in one of Bega's manufacturing facilities;
 3. A significant breach of regulatory or legislative requirements.

Increasing Cost of Doing Business

- ▶ Certain costs of conducting the Bega business are outside Bega's control.



Specific Bega Investment Risks

Bank debt facilities and covenants

- ▶ Bega utilises debt to partially fund its business operations and may need to access additional debt financing to grow its operations. If Bega is unable to refinance, repay or renew its debt facilities or otherwise obtain debt finance on favourable terms, Bega may not meet its growth targets, which may adversely impact its financial performance.
- ▶ If Bega's operational and financial performance declined, it could lead to a breach of its banking covenants. If Bega breaches its covenants, its financiers could enforce their rights under the debt facilities and this may result in them requiring immediate repayment and therefore, this may have a materially adverse effect on Bega's financial performance and position.

Competition risk

- ▶ Bega's financial performance or operating margins and the value of Bega could be materially adversely affected if existing competitors increase market share or new competitors enter the market.
- ▶ Such competition may have the effect of decreasing Bega's sales, pricing and profit margins.

Reliance on key personnel

- ▶ Bega is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management personnel. However, there can be no assurance that Bega will be able to retain these key personnel. The loss of key personnel or the inability to recruit and retain high calibre staff could have a material adverse effect on Bega. The additions of new employees and the departures of existing employees, particularly in key positions, can be disruptive and could also have a material adverse effect on Bega.



Specific Bega Investment Risks

Workplace health and safety risk

- ▶ Safety risks are inherent in Bega's business activities including equipment handling. A health and safety incident may lead to a serious injury or death, which may result in reputational damage and business disruptions, and adversely affect Bega's ability to operate, with consequential effects to Bega's financial performance and position.
- ▶ If Bega fails to comply with necessary workplace health and safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage to Bega.
- ▶ As a result of the COVID-19 pandemic there are heightened risks associated with health and safety, for example the risk of manufacturing plant shutdowns if employees or contractors become infected with the virus, the risk of increased costs (whether due to reduced manufacturing capacity or greater protective equipment requirements)

Environmental regulations risk

- ▶ Bega is required to comply with environmental regulations. If any breach of these regulations occurs, Bega may be subject to remediation costs and other liabilities.

Other regulatory risks

- ▶ Bega is required to comply with a range of laws and regulations, including those set out above and others specific to the industries in which it operates. Although Bega has policies and procedures in place to ensure compliance, any material regulatory non-compliance issue that may arise could have an adverse impact on Bega. In addition, changes in the regulatory environment in which Bega operates may affect Bega's ability to supply certain types of products and services to particular customers or sell products into certain end markets.



Specific Bega Investment Risks

Information technology risk

- ▶ Failure to manage Bega's IT infrastructure, systems and security (including cyber threats) and ensure Bega's IT environment is able to support its business including the integration of LD&D could potentially affect Bega's ability to deliver products and services and adversely impact Bega's financial position and performance.
- ▶ The loss or misuse of confidential and personal information stored in Bega's IT infrastructure, or inadequate and insecure data protection and privacy protocols may result in a breach of employee, customer and supplier privacy and confidentiality. This could result in fines and compensation for damages, as well as reputational damage to Bega.
- ▶ Some of Bega's databases and systems are hosted on platforms provided by third party providers. Bega is subject to the disaster planning contingencies of those third party providers to deal with events that are beyond the control of those parties such as earthquakes, floods, fires, power grid issues, telecommunication and network failures, terrorist attacks, cyber attacks, computer viruses and other similar events. A material failure in the systems of a third-party provider may have a material impact on the systems and operations of Bega's platforms.

Insurance risk

- ▶ Bega maintains insurance coverage in respect of its businesses, properties and assets. Some risks are not able to be insured at acceptable prices or at all. Insurance coverage may not be sufficient in such circumstances and if there is an event or claim causing loss, not all losses may be recoverable. Additionally, Bega cannot guarantee that its existing insurance will be available or offered in the future. An inability of Bega to secure such cover in the future could restrict the ability of Bega to conduct its business, and this could have a negative impact on the financial results of Bega.

Bribery and fraud risk

- ▶ Bega is exposed to fraud, bribery and corruption risk. Bega's financial performance or position could be potentially material adversely affected as a result of fraud, bribery or corruption.



Acquisition Risks

Reliance on information provided

- ▶ There is a risk that information provided by the Seller (including financial information) was incomplete, inaccurate, out of date or unreliable and there is no assurance that the due diligence was conclusive or identified all material issues in relation to LDD Business.
- ▶ If any of the data or information provided to and relied upon by Bega in its due diligence process and its preparation of this presentation proves to be incomplete, inaccurate or misleading, there is a risk that the actual financial position and performance of the LDD Business and Bega may be materially different to the financial position and performance expected by Bega and reflected in this presentation

Analysis of acquisition opportunity

- ▶ It is possible that the financial, operational, business and/or other analysis undertaken by Bega in relation to the LDD Business or the acquisition of the Sale Shares as well as its best estimates and forecasts, are inaccurate or are not realised in due course.
- ▶ To the extent that actual results achieved by the LDD Business are weaker than those assumed by Bega's analysis and forecasts, there is a risk that this may have an adverse impact on the financial position and financial performance of Bega and its share price.
- ▶ Estimates of certain management, selling, general and administrative costs of running the LDD Business were made by Bega. There is a risk that Bega's estimates of these costs may be inaccurate which may have an adverse impact on the financial position and performance of Bega.

Customer and supplier relationships

- ▶ There is a risk that as a result of the acquisition and operation of the LDD Business, contractual relationships with customers may result in decreased sales volumes and increased costs which could materially affect the financial performance of Bega.
- ▶ A number of the LDD Business supplier and customer contracts are due for renewal or renegotiation in the next 24 months. There is a risk that Bega may not be able to successfully negotiate the renewal of these contracts, or that contracts are renewed on less favourable terms. This could materially affect the financial performance of Bega.



Acquisition Risks

Finance Facilities

- ▶ Bega has approval from its banks for new facilities, which together with existing facilities, are intended to be drawn down to pay the purchase price for the Sale Shares. Draw down of the new facilities is subject to finalisation and signing of facility documentation and certain conditions precedent. The conditions precedent to draw down are usual for financing transactions of this nature and include the release of existing securities other than certain permitted securities on or before completion.

Operational Implementation Risk

- ▶ The integration of the LDD Business carries risk, including potential delays or costs in implementation and integration. The success of the acquisition and the ability to realise any synergies will be dependent upon the effective and timely integration of the LDD Business with the existing Bega business. While Bega has undertaken analysis in relation to potential synergies and integration costs of the acquisition, they are Bega's best estimates, and there is a risk that the actual synergies and integration costs may vary materially significantly and that any expected synergies may not materialise at all.
- ▶ There is a risk that Bega's future profitability and prospects could be adversely affected if integration of the LDD Business with Bega's business is not completed efficiently and effectively, with minimal disruption. There is also a risk that unforeseen events may arise causing the expected synergies to be delayed, not be obtained, or cost more to achieve than originally expected. These risks include:
 1. Higher than anticipated costs to operate the LDD Business;
 2. Disruption to the ongoing operations of both businesses;
 3. Unforeseen costs relation to the integration of some of the IT platforms, management information systems and financial and accounting systems;
 4. Unintended loss of key personnel, expert knowledge or reduced employee productivity due to uncertainty arising from the acquisitions; and
 5. Failure to maintain key supplier and/or customer relationships



Acquisition Risks

Vitasoy Joint Venture

- ▶ The LDD Business includes a 49% interest in Vitasoy Australia Pty Ltd, which is a joint venture company in which the other 51% is held by Vita International. Vita International has rights under "change of control" provisions in the Vitasoy Shareholders Agreement which will arise from the acquisition of the Sale Shares by Bega. Vita International has provided written confirmation to Bega that it would be prepared to modify those rights so that they may only be exercised following the expiration of two years after the completion of Bega's purchase of the Sale Shares. Formal documentation to implement this confirmation is anticipated to be concluded before completion. However, if this formal documentation is not concluded before completion, there is a risk that Vita International may exercise its change of control rights. Vitasoy Australia manufactures and sells soy and other plant based beverages. Bega's ongoing participation in the Vitasoy Australia joint venture requires compliance with the Vitasoy Shareholders Agreement, including a restraint on selling other brands of tofu and plant based alternatives to milk beverages, ice cream and yoghurt.

Sodima Franchise

- ▶ The LDD Business includes a relationship with Sodima under which LDD has the right to manufacture and sell yoghurt products under Yoplait and other brands. Sodima has confirmed that the acquisition of the Sale Shares by Bega will not disrupt this relationship. Bega's ongoing relationship with Sodima requires compliance with the Manufacturing and Distribution Master Franchise Agreement with Sodima.

Environmental

- ▶ The LDD Business operates 13 manufacturing sites. These sites, as well as the existing Bega manufacturing sites, must be operated in accordance with all applicable environmental laws. Some of the LDD Business manufacturing sites are old and in areas that are particularly sensitive to environmental concerns.

Change of Control

- ▶ A number of the contracts associated with the LDD Business include provisions that may enable the counterparty to terminate the contract if there is a change of control of the relevant LDD Group entity, including one contract with a major retailer customer. Where these change of control rights are contained in a contract, Bega will need to confirm the continued operation of the contract with the counterparty. This process may result in a termination or renegotiation of the relevant contract.



Acquisition Risks

Restraints and Exclusivity

- ▶ A number of contracts associated with the LDD Business include provisions that impose restraints including provisions requiring the relevant LDD Group entity to deal exclusively with the counterparty. These provisions may restrict the ability of Bega to make adjustments to the LDD Business.

Competition Risks

- ▶ The LDD Business operates in a highly competitive market. Many competitors and potential competitors are significant and well-funded multinational food and beverage producers who could materially impact the LDD Businesses' market share by entering or increasing their prominence in the categories the LDD Business operates in.

Acquisition accounting risk

- ▶ Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. This exercise has not yet been undertaken for the Transaction. There is a risk that this acquisition accounting could materially impact the balance sheet and/or future earnings profile of the business. The Company has 12 months from the date of acquisition to finalise the provisional purchase price accounting.



General Bega Investment Risks

General market and share price risk

- ▶ The operating and financial performance of the Bega business and the LDD Business will also be influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, may have an adverse impact on Bega's business or financial condition. These factors may cause the price of Bega shares to trade below the price at which they are offered under the Offer, notwithstanding Bega's financial or operating performance.

Other Risks

- ▶ The list of risks highlighted here should not be taken as a complete list of risks associated with the LDD Business or an investment in Bega. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Bega shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Bega in respect of Bega shares.

Share price and volume fluctuations

- ▶ Securities may experience extreme price and trading volume fluctuations. Following the Capital Raising, there may not be an active trading market in Bega's shares. If a market is not sustained, it may be difficult for investors to sell their shares at a price that is attractive to them or at all. The price of the New Shares may not be representative of the price that will prevail after the Capital Raising.
- ▶ The equity market has experienced price and volume volatility that has affected the share price of many companies, including as a result of new or changed governmental measures, business closures, lockdowns, quarantines, travel and other restrictions. Security prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of Bega's shares.

Economic risks

- ▶ Bega is exposed to economic factors in the ordinary course of business. Factors such as changes in fiscal, monetary and regulatory policies can adversely impact Bega's earnings. Given that interest rates in Australia are at historically low levels, there is a likelihood of some increase in the medium to longer term.



General Bega Investment Risks

Government policies and legislation risk

- ▶ Bega may be affected by changes to government policies and legislation, including those relating to the agricultural industry, property, the environment, taxation, the regulation of trade practices and competition.

Changes in accounting policy

- ▶ Bega is subject to the usual business risk that there may be changes in accounting policies which impact on Bega.

Taxation implications

- ▶ Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Bega shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Bega operates, may impact the future tax liabilities of Bega.

Asset impairment risk

- ▶ The Bega's Board regularly monitors impairment risk. Consistent with accounting standards, Bega is periodically required to assess the carrying value of its assets, including its brands. Where the value of an asset is assessed to be less than its carrying value, Bega is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits and, potentially, its capacity to pay dividends. Impairment charges are a non-cash item.

Dividend risk

- ▶ There is a risk Bega may cease to be able to continue to pay dividends consistent with prior periods or at all.

ASX Listing

- ▶ ASX imposes various listing obligations on Bega which must be complied with on an ongoing basis. Whilst Bega must comply with its listing obligations, there can be no assurance that the requirements necessary to maintain the listing of the New Shares will continue to be met or will remain unchanged.



General Bega Investment Risks

Litigation

- ▶ Legal proceedings and claims may raise from time to time in the ordinary course of Bega's business and may result in high legal costs, adverse monetary judgements and/or damage to Bega's reputation which could have an adverse impact on Bega's financial position, performance and share price.

Interest Rate and Foreign Currency Risk

- ▶ Where dairy and other products are sold into export markets the predominant currency is the US dollar. Fluctuations in the Australian dollar compared with foreign currencies have the potential to impact the revenue and returns of Bega. Bega will be subject to the risk of rising interest rates associated with borrowing on a floating rate basis and risk of foreign currency exposure from its export operations. Bega seeks to manage all or part of its exposure to adverse fluctuations in floating interest rates and/or foreign currency receivable through hedging arrangements, including derivative financial instruments. Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and such arrangements may not be effective in reducing exposure. To the extent that Bega does not hedge effectively (or at all) against these movements, such movements may adversely affect Bega's results.



Capital Raising Risks

Underwriting risk

- ▶ Bega has entered into an underwriting agreement under which the Underwriters have agreed to fully underwrite the Capital Raising, subject to the terms and conditions of the underwriting agreement. If certain events occur, the Underwriters may terminate the underwriting agreement.
- ▶ Such "termination events" include those summarised in Section "Overview of the Underwriting Agreement terms".
- ▶ Termination of the underwriting agreement may have an adverse impact on the ability of Bega to proceed with the Entitlement Offer and the quantum of funds raised as part of the Entitlement Offer. If the underwriting agreement is terminated by either or both Underwriters, there is no guarantee that the Entitlement Offer will continue in its current form or continue at all. Failure to raise sufficient funds under the Entitlement Offer (as a result of it not proceeding or otherwise) could materially adversely affect Bega's financial position.

Risk of dilution

- ▶ You should note that if you do not take up all of your entitlement under the Entitlement Offer, then your percentage security holding in Bega will be diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by Bega may issue new securities in the future to, amongst other things, finance other acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.



Foreign Selling Restrictions

This document does not constitute an offer of new ordinary shares (New Shares) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Member States of the European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "Relevant State"), no New Shares have been offered or will be offered to the public in that Relevant State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that an offer of New Shares to the public may be made in that Relevant State of any New Shares at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the lead manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the New Shares shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the New Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for any New Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

This document is only addressed to and directed at persons in Relevant States who are "qualified investors" as defined under the Prospectus Regulation ("Qualified Investors"). In addition, in the United Kingdom, this document may only be communicated, or caused to be communicated, to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000, as amended ("FSMA"), does not apply and may be distributed in the United Kingdom, and is directed at only persons who are Qualified Investors and who are: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) persons falling within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order; and (iii) persons to whom it may otherwise lawfully be communicated (all such persons, being "Relevant Persons"). In the United Kingdom, this document is directed only at Relevant Persons. This document must not be acted or relied on (i) in the United Kingdom, by persons who are not Relevant Persons and (ii) in any Relevant State other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the United Kingdom, Relevant Persons and (ii) in any Relevant State other than the United Kingdom, Qualified Investors, and will be engaged in only with such persons.



Foreign Selling Restrictions

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).



Foreign Selling Restrictions

Singapore

This document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:
 - c) to an investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - d) where no consideration is or will be given for the transfer;
 - e) where the transfer is by operation of law;
 - f) as specified in Section 276(7) of the SFA; or
 - g) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

In addition, investors in Singapore should note that the New Shares acquired by them are subject to resale and transfer restrictions specified under Section 276 of the SFA, and they, therefore, should seek their own legal advice before effecting any resale or transfer of their Shares.

The contents of this document have not been reviewed by any regulatory authority in Singapore.

This document may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this document or as to your legal rights and obligations in connection with the Entitlement Offer, please obtain appropriate professional advice.



Foreign Selling Restrictions

United States

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal.

The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold directly or indirectly in the United States, unless they have been registered under the U.S. Securities Act (which Bega has no obligation to do or procure) or they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities law.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



Foreign Selling Restrictions

Canada

The New Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The New Shares may only be offered, sold or distributed, directly or indirectly, in the provinces of British Columbia, Alberta, Ontario or Québec and no other province or territory, in or to or for the benefit of a resident thereof, which is purchasing, or deemed to be purchasing, as a principal that is both: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the New Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

This document or any other offering material in connection with the offer of the New Shares has not been and will not be distributed or delivered in Canada other than to a resident of the provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within this document in relation to the New Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this document and any other offering material relating to the New Shares and as to the suitability of an investment in the New Shares in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document or any other offering material constituting an 'offering memorandum' under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the parties to this offering, including the Company and the Underwriters, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the New Shares.

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*



Foreign Selling Restrictions

United Arab Emirates (excluding the Dubai International Financial Centre)

This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this document, you understand, acknowledge and agree that this document has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the "SCA") or any other authorities in the UAE (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004), nor have the Underwriters received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. It should not be assumed that any of the Underwriters is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products.

No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to the New Shares or other investments may or will be consummated within the UAE. This document and the New Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are 'Qualified Investors' within the meaning of the SCA's Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE under the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, or otherwise.

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice.

Hong Kong

This document has not been delivered for registration to the registrar of companies in Hong Kong, and its contents have not been reviewed or authorized by any regulatory authority in Hong Kong. Accordingly: (i) the New Shares have not been, and will not be, offered or sold in Hong Kong, by means of any document, other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO") and any rules made thereunder, or in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) ("Ordinance") of Hong Kong or which do not constitute an offer to the public within the meaning of the Ordinance of Hong Kong and as permitted under the SFO; and (ii) no invitation, advertisement or other document relating to the New Shares has been or will be issued (or possessed for the purpose of issue), whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.





4. AUSTRALIAN TAXATION CONSEQUENCES

4.1 General

The Section below provides a general summary of the Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

This Section is intended to provide a summary for Eligible Retail Shareholders who are permanent residents for Australian income tax purposes and hold their Shares on capital account. This summary does not consider the implications for Eligible Retail Shareholders who:

- are exempt from Australian income tax;
- acquired their Shares as a result of an employment or services arrangement;
- are banks or insurance companies;
- hold their Shares on revenue account or as trading stock;
- are non-residents for Australian tax purposes; or
- are subject to the Australian taxation of financial arrangement (TOFA) rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The information in this section is general in nature and is based on the relevant Australian tax legislation in force, and the administrative practice of the relevant revenue authorities, as at the date of this Entitlement Retail Offer Booklet. Bega Cheese and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences. It is strongly recommended that each Eligible Shareholder seeks their own independent professional tax advice applicable to their particular circumstances.

4.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Shareholder.

4.3 Exercise of Entitlements

The exercise of an Entitlement should not, of itself, result in an amount being included in the assessable income of an Eligible Shareholder.

4.4 Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and any Additional New Shares

Each New Share will constitute a separate asset for CGT purposes. The Offer Price for the New Shares will form part of the cost base (or reduced cost base) of the New Shares. Each of the New Shares will be taken to be acquired on the day that the Entitlement in respect of the New Share is exercised.

4.5 Entitlements not taken up

Any Entitlements not taken up under the Retail Entitlement Offer will lapse and the Eligible Shareholder will not receive any consideration for those Entitlements. There should not be any tax implications for the Eligible Shareholder in these circumstances.

4.6 Distributions

Any future dividends or other distributions made in respect of New Shares will generally be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

4.7 TFN/ABN withholding

Bega Cheese may be required to withhold amounts from income distributions at the highest marginal tax rate plus the Medicare levy if a TFN, ABN, or evidence of an appropriate exemption from quoting such numbers, has not been provided.

If an Eligible Shareholder has quoted their TFN or ABN or an exemption from quoting such numbers applies in respect of their existing holding of Shares, this quotation or exemption will also apply in respect of any New Shares acquired by that Eligible Shareholder.

4.8 Disposals

The disposal of a New Share will constitute a disposal for CGT purposes.

On disposal of a New Share, an Eligible Shareholder will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. An Eligible Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares for 12 months or more at the time of disposal (excluding the dates of acquisition and disposal) should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities.

New Shares will be treated for the purposes of the capital gains tax discount as having been acquired when an Eligible Shareholder exercises their Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Eligible Shareholder exercised their Entitlement (excluding the dates of acquisition and disposal).

Eligible Retail Shareholders that make a capital loss on the disposal of their New Shares can only use that loss to offset other capital gains, i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided, in the case of a corporate or trustee Eligible Shareholder, that certain tests are satisfied.

4.9 Other Australian taxes

No Australian GST or stamp duty should be payable in respect of the issue or exercise of the Retail Entitlement Offer, or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

5. ADDITIONAL INFORMATION

5.1 Responsibility for Retail Offer Booklet

This Retail Offer Booklet (including the ASX Announcements, Capital Raising Presentation and the enclosed personalised Entitlement and Acceptance Form at Section 3) has been prepared by Bega Cheese. This Retail Offer Booklet is dated Wednesday, 2 December 2020 (other than the ASX Announcements and Capital Raising Presentation).

No party other than Bega Cheese has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet. Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Bega Cheese, or its related bodies corporate in connection with the Retail Entitlement Offer.

To the maximum extent permitted by law, the Underwriter Parties disclaim all duty and liability (including for fault, negligence and negligent misstatement) for any loss howsoever and whenever arising from the use of any information contained in this Retail Offer Booklet.

5.2 Status of Retail Offer Booklet

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allows rights issues to be offered without a prospectus.

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Retail Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Retail Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Bega Cheese. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on Bega Cheese and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Retail Offer Booklet, the Capital Raising Presentation and other announcements made available at www.asx.com.au. Alternatively, you can access information about the Retail Entitlement Offer online at www.begacheese.com.au/investors/.

This Retail Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. After reading the Retail Offer Booklet, and the Capital Raising Presentation released to ASX on Thursday, 26 November 2020 (in particular, the "Risks" section), if you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

5.3 Retail Offer Booklet availability

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this Retail Offer Booklet during the period of the Retail Entitlement Offer by accessing the ASX website or accessing the Bega Cheese website, www.begacheese.com.au. Persons who access the electronic version of this Retail Offer Booklet should ensure that they download and read the entire Retail Offer Booklet. The electronic version of this Retail Offer Booklet on the ASX website and the Bega Cheese website will not include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) and +61 1300 657 159 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer Period.

This Retail Offer Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to, or relied upon by, persons in the United States or that are acting for the account or benefit of a person in the United States.

5.4 Eligible Institutional Shareholders

Eligible Institutional Shareholders are institutional shareholders that the Underwriters determine in their absolute discretion are eligible to participate in the Institutional Entitlement Offer and successfully receives an offer on behalf of Bega Cheese under the Institutional Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder or an Eligible Retail Shareholder, is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of Bega Cheese and/or the Underwriter. Each of Bega Cheese and the Underwriter, and each of their respective beneficiaries, disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

5.5 Ranking of New Shares

New Shares (including any Additional Shares) issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Bega Cheese's constitution, a copy of which is available at www.begacheese.com.au.

5.6 Risks

The Capital Raising Presentation details important factors and risks that could affect the financial and operating performance of Bega Cheese. You should refer to the 'Risks' section of the Capital Raising Presentation released to ASX on Thursday, 26 November 2020 which is included in Section 3 of this Retail Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

5.7 Reconciliation

In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Bega Cheese reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated, or if they (or their nominees/custodians) fail to provide information to substantiate their claims. See Section 5.12 of this Retail Offer Booklet for further details.

5.8 No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.10 Trading of Retail Entitlements

As outlined in Section 2.6 of this Retail Offer Booklet, your Entitlement is personal and cannot be traded on ASX, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement by 5.00pm (Sydney time) on Monday, 14 December 2020, your rights will lapse.

5.11 ASX quotation

Subject to approval being granted, quotation of the New Shares issued under the Retail Entitlement Offer is expected to commence on Tuesday, 22 December 2020 on a normal trading basis.

Holding statements will be dispatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares.

Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company, the Underwriter Parties and the Share Registry will have no responsibility for, and disclaim all duty and liability whether in fault, negligence, negligent misstatement or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

5.12 Rights of the Company

Bega Cheese reserves the right (in its absolute sole discretion) to reduce the number of Entitlements, New Shares or Additional New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they (or their nominees/custodians) fail to provide information to substantiate their claims. In that case Bega Cheese may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Shareholder to transfer excess New Shares to each of the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses and expenses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, you irrevocably acknowledge and agree to do the above as required by Bega Cheese in its absolute discretion. You acknowledge that there is no time limit on the ability of Bega Cheese to require any of the actions set out above.

Bega Cheese also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

5.13 Notice to nominees

If the Company believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer from Bega Cheese. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Shareholder;
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as custodians or nominees must not take up Entitlements or apply for New Shares on behalf of, or for the account or benefit of, a person in the United States and must not send any document relating to the Retail Entitlement Offer to any person that is in the United States.

Bega Cheese is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Bega Cheese is not able to advise on foreign laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

5.14 Underwriting of the Entitlement Offer

Bega Cheese has entered into the Underwriting Agreement with the Underwriters, under which the Underwriters have been appointed to act as underwriters, joint managers and bookrunners to the Entitlement Offer and Placement.

The obligation on the Underwriters to underwrite the Entitlement Offer and Placement is conditional on certain conditions precedent. Additionally, the Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events (provided that in certain circumstances, the right to terminate is subject to having regard to the materiality of the event). For further details, see the summary of the Underwriting Agreement which is set out in slides 35 to 37 of the Capital Raising Presentation.

The Underwriters will be paid, in aggregate, an underwriting fee of 1.5% (excluding GST) and an offer management fee of 0.5% (excluding GST) of the Institutional Entitlement Offer and Placement proceeds and an underwriting fee of 1.5% and an offer management fee of 0.5% (excluding GST) of the Retail Entitlement Offer proceeds for providing these services. Each Underwriter will be entitled to a 50% proportion of these fees. The Underwriters will also be reimbursed for certain costs and expenses.

In the event that the obligations of an Underwriter under the Underwriting Agreement are terminated or the Entitlement Offer and Placement do not proceed or are not completed for any reason:

- Bega Cheese will not be obliged to pay to that Underwriter the fees referred to above unless the obligation to pay the fee arises before termination; and
- Bega Cheese will be obliged to pay to that Underwriter within 10 business days of termination of the obligations of that Underwriter (to the extent it has not already done so), the fees, costs, expenses and disbursements as set out in the Underwriting Agreement.

Bega Cheese also gives certain representations, warranties and undertakings to the Underwriters and an indemnity to the Underwriters and their respective representatives subject to certain carve-outs.

Bega Cheese will, to the extent reasonably required by the Underwriters following consultation with Bega Cheese, take all reasonable actions to adjust the number of New Shares allocated to any Institutional Shareholder, if at any stage it appears that the allocation to that Institutional Shareholder, was based on incorrect information regarding the number of Shares held (or taken under the terms of the Listing Rules to be held) by nominees for that Institutional Shareholder as at the Record Date. If appropriate adjustments are not made, or if reconciliation issues arise, the Underwriters may reasonably require such steps as they reasonably specify to be taken to address those matters, including, at their discretion, requiring that the Shares that are part of the Retail Shortfall (or Shares which would become part of the Retail Shortfall but for the application of the relevant provision of the Underwriting Agreement and assuming valid Applications from Eligible Retail Shareholders in excess of their Entitlements are not satisfied) be issued to Institutional Shareholders, or that Bega Cheese place to Institutional Shareholders up to such number of Shares as is permitted by the Listing Rules and the Company's constitution, in each case as necessary to ensure that those Shareholders (or beneficial owners of Shares) receive their pro rata Entitlement under the Placement and Entitlement Offer.

Notwithstanding any other provision of the Underwriting Agreement, the Underwriters acknowledge that the Company is not required to issue New Shares to any person if that issue will lead to a breach of the shareholding limit referred to in clause 3 of the Company's constitution. The Underwriters will arrange for the relevant New Shares to be issued to another Institutional Investor in accordance with their obligations under the Underwriting Agreement.

5.15 Governing Law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5.16 Withdrawal of the Retail Entitlement Offer

Subject to applicable law, Bega Cheese reserves the right to withdraw all or part of the Retail Entitlement Offer at any time before the issue of New Shares, in which case all Application Monies will be refunded without interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Bega Cheese may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Bega Cheese will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Bega Cheese.

5.17 Privacy Statement

If you complete an application for New Shares, you will be providing personal information to Bega Cheese (directly or through the Share Registry). Bega Cheese collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Share Registry at the relevant contact numbers set out in the Corporate Directory of this Retail Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Bega Cheese may not be able to accept or process your application.

6. DEFINITIONS

In this Retail Offer Booklet:

ABN means Australian Business Number.

Additional New Shares means New Shares in excess of an Eligible Shareholder's Entitlement.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Announcements means the announcement released to ASX by Bega Cheese on Thursday, 26 November 2020 in connection with the Entitlement Offer and the announcement in relation to the Institutional Entitlement Offer and Placement, released to ASX by Bega Cheese on Friday 27, November 2020, incorporated in Section 3 of this Retail Offer Booklet.

Bega Cheese or **Company** means Bega Cheese Limited (ACN 008 358 503).

Board of Directors or **Board** means the board of directors of Bega Cheese.

BPAY® means registered to BPAY Pty Ltd (ABN 69 079 137 518).

Capital Raising Presentation means the presentation to investors released to the ASX on Thursday, 26 November 2020, incorporated in Section 3 of this Retail Offer Booklet.

CGT means capital gains tax.

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (Sydney, Australia time) on Monday, 14 December 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of Bega Cheese listed in Section 7 of this Retail Offer Booklet.

Eligible Institutional Shareholder means an Institutional Shareholder on the Record Date to whom each of the Underwriters determine in their discretion:

- (a) is eligible to participate in the Institutional Entitlement Offer; and
 - (b) successfully receives an offer on behalf of Bega Cheese under the Institutional Entitlement Offer,
- and is not in the United States (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

Eligible Retail Shareholder has the meaning in Section 2.3 of this Retail Offer Booklet.

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Eligible U.S. Fund Manager means a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that is acting solely for an account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons (as defined in Rule 902(k) of the U.S. Securities Act) for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act.

Entitlement means the right to subscribe for 1 New Share for every 4.5 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Shareholders to raise approximately \$220 million at the Offer Price on the basis of 1 New Share for every 4.5 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax imposed in Australia pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a retail Shareholder that is not an Eligible Retail Shareholder.

Ineligible Shareholder means an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person who the Underwriters reasonably believe to be a person to be:

- (a) in the case of a person with a registered address in Australia, an investor who is an “exempt investor” as defined in ASIC Instrument 2016/84;
- (b) if in the United States, an Eligible U.S. Fund Manager; or
- (c) if in Canada (Alberta, British Columbia, Ontario and Quebec provinces only), the Hong Kong Special Administrative Region, New Zealand, Singapore, United Arab Emirates (excluding financial zones), any member state of the European Union and the United Kingdom, an investor to whom offers for issue of Shares may lawfully be made (consistent with the advice obtained from counsel to the Company) without the need to lodge a product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (except Canada, where a notice reporting any sales of securities must be filed with the relevant provincial securities regulator),.

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) to each of the Underwriters or any sub-underwriters.

Offer means the Entitlement Offer and the Placement.

Offer Price means \$4.60 per New Share, being the price payable per New Share under the Entitlement Offer.

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement.

Placement means the institutional placement of New Shares at the Offer Price.

Record Date means 7.00pm (Sydney, Australia time) on Monday, 30 November 2020.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period from Wednesday, 2 December 2020 to the Closing Date.

Retail Offer Booklet means this document (including the personalised Entitlement and Acceptance Form accompanying it).

Retail Shortfall has the meaning given to it in Section 2.6 of this Retail Offer Booklet.

Section means a section of this Retail Offer Booklet.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services.

Shareholder means a registered holder of Shares.

TFN means tax file number.

Underwriters means Bell Potter Securities Limited (ABN 25 006 390 772) and UBS AG, Australia Branch (ABN 47 088 129 613).

Underwriter Parties means the Underwriters, their affiliates, related bodies corporate (as that term is defined in the Corporations Act), respective directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries.

Underwriting Agreement means the underwriting agreement entered into on Thursday, 26 November 2020 between Bega Cheese and the Underwriters.

U.S. Securities Act means the United States Securities Act of 1933, as amended.

7. CORPORATE DIRECTORY

Directors

Barry Irvin
Executive Chairman

Peter Margin
Independent Director

Raelene Murphy
Independent Director

Terry O'Brien
Independent Director

Rick Cross
Director

Patricia Mann
Independent Director

Underwriters

Bell Potter Securities Limited
ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne VIC 3000
AFSL No. 243480

UBS AG, Australia Branch
ABN 47 008 129 613
Level 16, 8 Exhibition Street
Melbourne VIC 3000
AFSL No. 231087

Bega Cheese Offer Information Line

Australia: 1300 657 159
International: +61 1300 657 159
Open 8.30am to 5.30pm (Sydney, Australia time)
Monday to Friday during the Retail Entitlement Offer Period

Registered Office

23 Ridge Street
Bega NSW 2550
Telephone: (02) 6491 7777

Solicitors to the Offer

Addisons
Level 12, 60 Carrington Street
Sydney NSW 2000
Telephone: (02) 8915 1000

Share Registry

Link Market Services
Locked Bag A14
Sydney NSW 1235
Telephone: 1300 554 474 or +612 8280 7111
Email: registrars@linkmarketservices.com.au

For personal use only





Bega Cheese Limited
ACN 008 358 503

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 657 159
From outside Australia: +61 1300 657 159
ASX Code: BGA
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

**Number of Eligible Shares held as
at the Record Date, 7:00pm (Sydney time)
on 30 November 2020:**

**Entitlement to New Shares
(on a 1 New Share for 4.5 basis):**

**Amount payable on full acceptance
at A\$4.60 per Share:**

Offer Closes

5.00pm (Sydney time): Monday, 14 December 2020

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 4.5 Existing Shares that you hold on the Record Date, at an Offer Price of A\$4.60 per New Share. You may also apply for New Shares in excess of your Entitlement (up to 50% of your Entitlement), at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Retail Offer Booklet dated 2 December 2020 (**Retail Offer Booklet**). The Retail Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet.

Capitalised terms not otherwise defined in this Entitlement and Acceptance Form have the meaning given to them in the Retail Offer Booklet.

If you do not have a paper copy of the Retail Offer Booklet, you can obtain a paper copy at no charge, by calling the Bega Cheese Limited Offer Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5.00pm (Sydney time) on 14 December 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Share Registry before 5.00pm (Sydney time) on 14 December 2020.



Billers Code: 340117
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



ACN 008 358 503

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of Additional New Shares - Eligible Retail Shareholders that take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 50% of their Entitlement, at the Offer Price (Oversubscription Facility).

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Bega Cheese Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

BEGA CHEESE LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia or New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Retail Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the acknowledgements, warranties and representations contained in the Retail Offer Booklet;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Bega Cheese Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares (including any Additional New Shares) you wish to apply for by A\$4.60.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement (up to a maximum of 50% of your Entitlement). Please enter the number of **Additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Shares may not be successful (wholly or partially). The decision of Bega Cheese Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Bega Cheese Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Bega Cheese Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Retail Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Bega Cheese Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00pm (Sydney time) on 14 December 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Bega Cheese Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Bega Cheese Limited Offer Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.



BEGA CHEESE

SINCE 1899

PO Box 123

Bega NSW 2550

Australia

Ph: +61-2-6491 7777

Fax: +61-2-6491 7700

General email enquiries:

bega.admin@bega.com.au

Internet:

www.begacheese.com.au

Not for distribution or release in the United States

2 December 2020

Dear Shareholder,

ACCELERATED PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On Thursday, 26 November 2020, Bega Cheese Limited (**Bega Cheese**) announced that it was conducting an underwritten \$180 million institutional placement (**Placement**) and an underwritten accelerated non-renounceable entitlement offer (**Entitlement Offer**, and together with the Placement, the **Offer**) of approximately \$220 million in new fully paid ordinary shares in Bega Cheese Limited (**New Shares**) on a 1 for 4.5 basis to eligible shareholders, at an offer price of \$4.60 per New Share (**Offer Price**).

Net proceeds from the Offer will be used to partly fund the acquisition of all of the shares in Lion Dairy & Drinks (**LD&D**) for a net acquisition price of \$534 million.¹

Bell Potter Securities Limited (**BP**) and UBS AG, Australia Branch (**UBS**) are acting as joint lead managers and underwriters of the Offer (together, the **Underwriters**).

This is a letter to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer (as defined below). This letter is not an offer to issue entitlements or New Shares to you, nor an invitation to apply for entitlements or New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer and Placement that you should be aware of.**

Details of the Entitlement Offer

The Entitlement Offer is being made by Bega Cheese in accordance with section 708AA of the Corporations Act 2001 (Cth) (the **Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), meaning that no prospectus or other disclosure document under the Corporations Act needs to be prepared.

The Entitlement Offer comprises an underwritten institutional component (**Institutional Entitlement Offer**) and an underwritten retail offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer and Placement has already closed and the results were announced to ASX on Friday, 27 November 2020.

¹ Net acquisition price represents gross sale price of \$560 million less a \$26 million deduction for IT separation costs (net of tax).



An offer booklet in relation to the Retail Entitlement Offer will be lodged with the ASX and dispatched to Eligible Retail Shareholders today (Wednesday, 2 December 2020 (**Retail Entitlement Offer Booklet**)).

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of 1 for 4.5 existing Bega Cheese fully paid ordinary shares held at 7.00pm (Sydney time) on Friday, 27 November 2020 (**Record Date**).

Eligibility Criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- (a) are registered as a holder of fully paid ordinary shares in Bega Cheese (**Shares**) as at 7.00pm (Sydney time) Friday, 27 November 2020 (**Record Date**);
- (b) as at the Record Date, have a registered address in Australia or New Zealand as noted on Bega Cheese's share register;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- (d) are not an Eligible Institutional Shareholder (as defined in the Retail Entitlement Offer Booklet) or an Ineligible Shareholder (being an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder) (as those terms are defined in the Retail Entitlement Offer Booklet); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Bega Cheese has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable on this occasion to make offers to shareholders in all countries outside Australia or New Zealand in connection with the Retail Entitlement Offer. This is due to the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Bega Cheese of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing Bega Cheese ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by Bega Cheese with reference to a number of matters. The Underwriters and each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Bega Cheese wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

Notwithstanding the above, Bega Cheese may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer subject to compliance with applicable laws.



As the Retail Entitlement Offer is non-renounceable, entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for those entitlements. Entitlements are not tradeable on ASX or otherwise transferrable.

If you have any questions in relation to any of the above matters, please contact the Bega Cheese Offer Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of Bega Cheese, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "B. Kelly", is positioned above the printed name "Mr Brett Kelly".

Mr Brett Kelly

Company Secretary

Bega Cheese Limited



IMPORTANT INFORMATION

This letter is issued by Bega Cheese. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to subscribe for, retain or purchase any entitlements or securities in Bega Cheese in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Bega Cheese ordinary shares. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the entitlements and the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, the entitlements nor the New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

IMPORTANT NOTICE TO NOMINEES

Because of legal restrictions, you must not send copies of this letter nor any material relating to the Retail Entitlement Offer to any of your clients (or any other person) acting for the account or benefit of any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.