



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.

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