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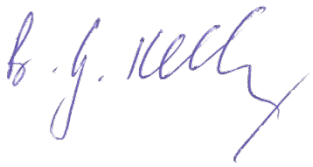
ASX ANNOUNCEMENT

Bega Cheese Limited

2025 Annual Report (Including Appendix 4E)

Attached is the 2025 Annual Report and Appendix 4E for Bega Cheese Limited for the year ended 30 June 2025.



Brett Kelly
Company Secretary

21 August 2025

For further information please contact

Brett Kelly
Company Secretary
Bega Cheese Limited

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BEGA CHEESE LIMITED

4E PRELIMINARY FINAL REPORT 30 JUNE 2025



LODGEMENT DATE: 21 AUGUST 2025

This financial report does not include all of the notes of the type normally included in the full year statutory accounts. Accordingly, it is recommended that this Report be read in conjunction with the Annual Report for the year ended 30 June 2025 and any public announcements made by Bega Cheese

Limited ("Bega Cheese", "Bega Group" or "Group") during the year ended 30 June 2025 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

1. Reporting period

The reporting period for Bega Cheese Limited is the year ended 30 June 2025 with the previous corresponding year to 30 June 2024. The information in this report is based on accounts, which have been audited.

Results for announcement to the market

For the year ended 30 June 2025, the Group delivered a statutory loss after tax of $8.5 million.

Consolidated	2025 $m	2024 $m	Change $m	Change %	Up/Down
Statutory revenue from ordinary activities	3,539.0	3,521.6	17.4	0.5	Up
Statutory EBITDA	165.5	165.1	0.4	0.2	Up
Statutory (loss)/profit after tax	(8.5)	30.5	(39.0)	(127.9)	Down
Statutory (loss)/profit after tax attributable to shareholders	(8.5)	30.5	(39.0)	(127.9)	Down
	cents	cents	cents	%	Up/Down
Net tangible assets per share	117.7	127.1	(9.4)	(7.4)	Down

	Cents per security	Franked cents per security @ 30 % tax
Current period		
2025 Final dividend - payable	6.00	6.00
2025 Interim dividend - paid	6.00	6.00
Previous period		
2024 Final dividend - paid	4.00	4.00

	Date
Record date for determining entitlements to dividends	
2025 final dividend	27 August 2025
Date of payment of dividends	
2025 final dividend	25 September 2025

Further details of the FY2025 financial position, performance and cash flows are set out in the 2025 Annual Report, which is provided together with this 4E Preliminary Final Report.

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2. Dividend Reinvestment Plan

Bega Cheese's Dividend Reinvestment Plan (DRP) will be activated for the FY2025 final fully franked dividend. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares without transaction costs. Shares allocated under the DRP will be derived from new issued ordinary shares. The shares issued rank pari passu with other ordinary shares already on issue. The allocation price will be determined in accordance with the DRP rules as the arithmetic average of the daily volume weighted average market price of all Bega Cheese shares sold through a normal trade on the ASX trading system over the five business days commencing on the day of the record date.

A shareholder can elect to participate in or terminate their involvement in the DRP at any time. Election notices for participation in the DRP in relation to the FY2024 final fully franked dividend to be paid on 25 September 2025 must be recorded by the registry by 5:00 pm on 28 August 2025 to be effective for that dividend.

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for a better future

Bega Cheese Limited

2025 ANNUAL REPORT



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CREATING GREAT FOOD FOR A BETTER FUTURE



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Contents

About us 1

Our transformation to a brand-led business 2

Our business model 3

Manufacturing and distribution 5

Brands and categories 6

Macro trends 7

Our strategic priorities 9

Our sustainability strategy 10

FY2025 performance at a glance 11

Chairman and Chief Executive Officer's report 13

Directors' report 19

Review of Financial Performance and Operations 21

Auditor's Independence Declaration 51

Financial Statements 54

Notes to the Financial Statements 59

Consolidated Entity Disclosure Statement 100

Directors' Declaration 101

Independent Auditor's Report 102

Shareholder information 107

Corporate Directory 108

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About us

Bega Group is an integrated producer of packaged foods, beverages and ingredients that millions of people use every day.

We operate across two business segments:

1. Branded – consumer and foodservice products sold through grocery, route, foodservice, petrol and convenience channels.
2. Bulk – nutritional powders and dairy ingredients sold primarily to food manufacturers.

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Our transformation to a brand-led business

Since 2001 we have transformed from a dairy co-operative with a strong regional cheese brand into a diversified branded food and beverage business. This transition from a commodity-led to a brand-led company has generated higher and more consistent earnings.

We will continue to strengthen and grow as a branded food products company, which creates value for our customers, consumers, suppliers and investors and advances us towards our vision to become a great Australian Food company.



BUILD 1899–2000

Dairy co-operative based in Bega Valley.

Primarily cheese production at Bega sites.



EXPAND 2001–2016

Increase in scale with acquisition of Tatura Milk Industries and investment in capacity.

Successful ASX listing and accessing growth capital.

Expanded dairy portfolio – nutritionals, cream cheese, cheese cut and wrap.



BALANCE 2017–2020

New platform with acquisition of grocery brands.

Shift in focus to grow branded business while diversifying milk sourcing.

Branded food portfolio including Vegemite.

Products expanded into non-dairy categories.



STRENGTH 2021–2025

Acquisition of dairy and drinks.

Increased brand portfolio with iconic dairy brands.

Extensive cold chain distribution network with expanded customer base.

Accelerated investments in innovation and branded growth.

Portfolio expanded into branded beverages, yoghurts and more.



FUTURE 2026–2030

Product innovation that responds to the functional health benefits of dairy.

Productivity through technology and scale.

Grow international branded presence.

Expand global sourcing.

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Our business model

Our business model is built around an integrated value chain which supports our growth as a branded food products manufacturer.

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OUR UNIQUE CAPABILITIES

FARMER RELATIONSHIPS

Strong, direct links with farmers and suppliers

MANUFACTURING NETWORK

Large scale, robust, and flexible supply chain

OUR VALUE CHAIN

1 → 2 →

SOURCING

We are one of Australia's largest purchasers of milk, with approximately 575 farmer supply contracts. We have approximately 350 material[1] suppliers that support our business.

MANUFACTURING

We convert dairy and other ingredients into high quality packaged foods in facilities across Australia.



THE VALUE WE CREATE

FARMERS AND SUPPLIERS

$1.5bn

paid for milk and ingredients

OUR PEOPLE AND COMMUNITIES

$91m

invested in food manufacturing[2]



DISTRIBUTION NETWORK

Extensive and efficient logistics

BRANDS

Diversified portfolio of market-leading brands

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3 → 4 → 5

DISTRIBUTION

We deliver daily across Australia through an extensive network of 6 national distribution centres and 74 active regional distribution centres or local depots. We also distribute products to more than 40 countries.

SALES AND MARKETING

We serve approximately 29,000 customers in multiple sales channels such as grocery retail, route trade, petrol and convenience, industrial and foodservice in Australia and around the world.

CONSUMERS

Our products are consumed by the majority of Australian households, and are part of the daily diet of millions of consumers worldwide.

CUSTOMERS

$1.8bn
estimated retail sales value generated[3]

$258m
branded export revenue generated

CONSUMERS

97%
of Australian households consume a Bega branded product[4]

SHAREHOLDERS

$50.8m
normalised profit after tax

$36.6m
dividends declared for FY2025

1. Suppliers with annual purchases over $1 million.
2. Annual supply chain capital and research and development expenditure.
3. Combined Bega categories, MAT to 29 June 2025, Aus Grocery + Aus Convenience combined. Circana Total Business Scan Database.
4. Circana IHP Combined Unify Panel MAT to 15 June 2025.

Manufacturing and distribution

Our integrated network produces and delivers chilled food daily across Australia. This extensive reach and strong retail partnerships ensure our brands are readily available nationwide.

By aligning our Bulk and Branded businesses, we extract more value from the milk collected each year for the Group.

This approach helps us manage seasonal milk supply, reduce input costs, and realise the most value from every component of the milk we process.

We continue to invest in scaling this network to drive efficiency, optimise capacity utilisation, and support long-term growth.

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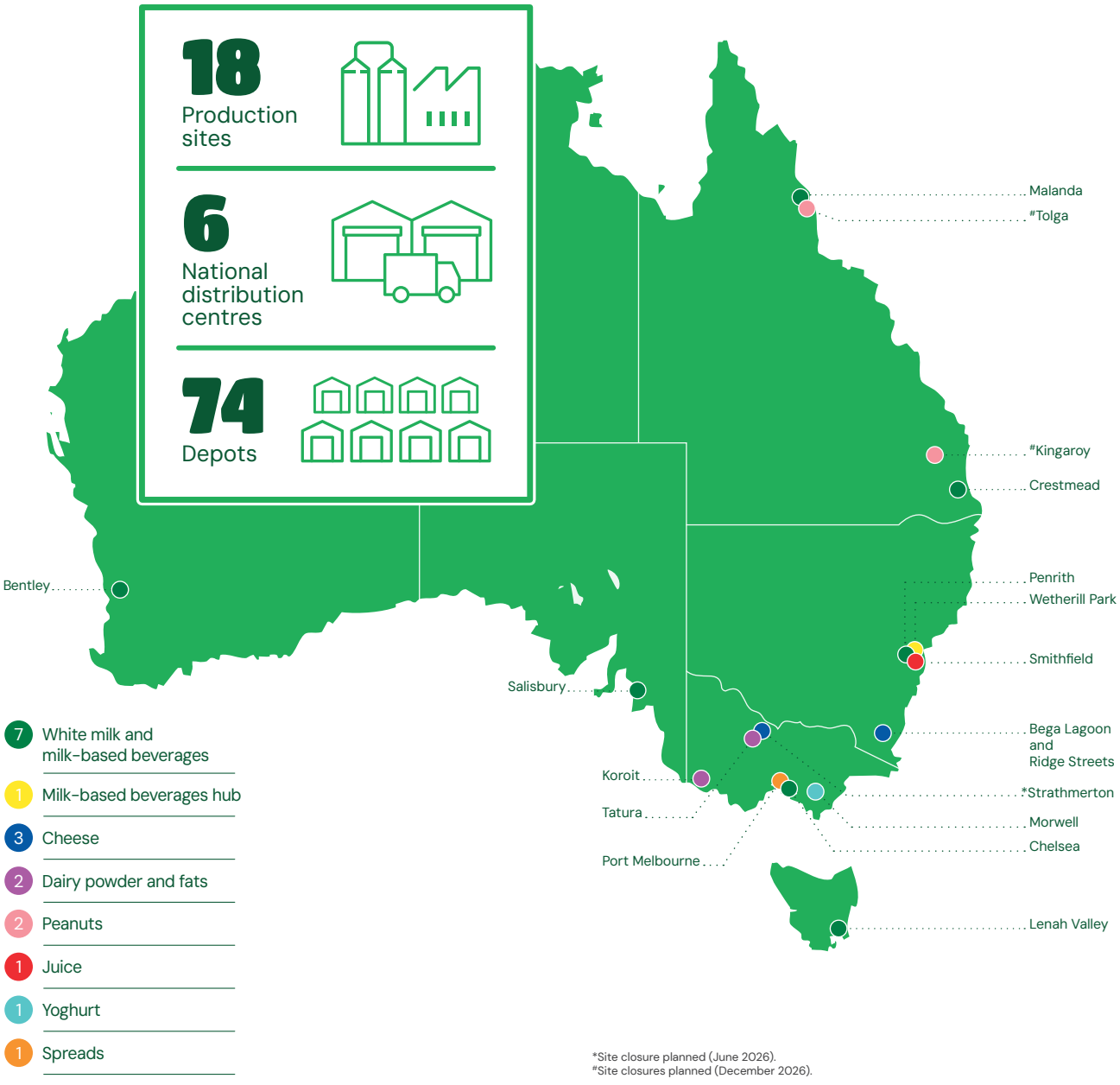

*Site closure planned (June 2026).
#Site closures planned (December 2026).

Brands and categories

Our top eight brands generate the majority of our branded revenue. They span a wide mix of products, from everyday essentials to discretionary food items. Many brands are market leaders that are known and trusted by generations of consumers.

We operate in food categories that have high household penetration. They have shown consistent demand across economic cycles and offer good potential for future growth.

Our brands span multiple sales channels such as grocery retail, route trade, petrol and convenience, and foodservice.

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Grocery category	Bega market share	Bega market position	Australian retail categories $m	Bega brands
Milk-based beverages	46%	1	1,142	
Yoghurt	24%	2	2,114	
Spreads	28%	1	776	
Chilled juice and drinks	18%	2	729	
Fresh white milk	12%	3	2,145	
Creams and custards	8%	4	665	
Water ice	89%	1	67	

Source: Data (retail sales value) sourced from Circana Market Edge 12 months to 29 June 2025 based on data definitions provided by Bega. (Market: AU Grocery Unweighted and Structured Convenience). Excludes Costco, Aldi, local trade and unstructured convenience.

Yoplait brand used under licence.

Macro trends

We monitor and address macro trends to create opportunities and manage risks for the Group. Some of these trends are volatile and this information represents a snapshot at the time of report creation (June 2025).

AUSTRALIAN CONSUMER SENTIMENT

Consumer sentiment has stabilised from early 2025 lows, but remains below the long run average[1]. Some of the underlying causes are easing inflation, RBA rate-cut expectations, and a strengthening jobs market.

Conversely, trade-policy uncertainty (including tariffs) and lingering cost-of-living pressures continue to weigh on sentiment. We expect high living costs to continue to affect the food shopping habits of a significant proportion of Australian consumers.

OUR RESPONSE

Helping consumers find value through:

- value product offers in core brands
- consumer promotional pricing in collaboration with our customers
- streamline our operations to reduce cost of goods.



AUSTRALIAN CONSUMER FOOD TRENDS

We operate in large food categories that are everyday staples. While consumer perception of value remains critical, consumers are also searching for great taste, convenience and health to meet the needs of different occasions. Demand has been increasing for functional food benefits (e.g. low sugar, high protein, high calcium, digestive health, lactose free, plant based) across a broad age range.

Australia's demographic landscape is changing, with a trend towards smaller and more ethnically diverse households. We are also seeing the longer-term change of ageing populations play to the ingredient strengths of dairy and Bega's brand portfolio.

Sustainability factors in many consumers' purchasing decisions, reflecting the importance of initiatives such as recycled packaging and a track record implementing environmentally responsible practices.

OUR RESPONSE

Accelerate innovation in profitable, high growth segments:

- investment in innovation capability (see case study page 16)
- product launches and greater emphasis on health and wellbeing claims on products
- execution of sustainability plan (see sustainability strategy page 10).

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TECHNOLOGY TRENDS

Technologies are transforming food businesses, and the following are providing near term opportunities:

- artificial intelligence and advanced data analytics
- sensors for real-time monitoring
- robotics and process automation to remove manual tasks
- frictionless digital experience for customers and consumers.

OUR RESPONSE

Invest in and leverage technology to drive productivity and reduce costs:

- advanced analytics in revenue management, logistics and transaction processes
- automation and Internet of Things (IoT) implementation in warehousing and production
- digitisation of customer service.

SOUTH EAST ASIA DAIRY TRENDS

Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam (ASEAN 6) are major milk deficit countries, meaning they consume more milk and dairy products than they produce domestically. These countries are major importers of Australian dairy. The underlying GDP per capita[2] and income growth[3] in most of the ASEAN 6 are supporting a rising middle class with increased disposable income. That is fuelling consumer demand for diverse and high-quality dairy products, particularly in urban areas. Trends include a focus on health and wellness, with consumers seeking products rich in calcium and protein, as well as a growing interest in dairy-based snacks and desserts.

OUR RESPONSE

Investment in select geographies and product categories:

- strengthened in-market capabilities with changes in resourcing and market approach in relevant markets
- focus on yoghurt opportunities (see case study page 30) and cheese.

GLOBAL DAIRY COMMODITY PRICES

As at mid-2025, prices remained relatively firm, with modest supply growth and solid demand, particularly in Asia, the Middle East and North America. Geopolitical risks, weather events in producing regions, and trade tensions or tariff policy changes could create volatility in dairy commodity prices in the next year.

OUR RESPONSE

Agility in Bulk business to maximise highest stream returns:

- maximise milk component return between Bulk and Branded businesses
- increase capacity for high-return products – milk protein concentrate and cream cheese
- streamline sites to improve efficiency and utilisation.

1. Westpac–Melbourne Institute (92.1 in May 2025) and ANZ-Roy Morgan (≈88.8 late May 2025).
2. IMF estimates.
3. AON Radford McLagan Compensation Database APAC press release.

Our strategic priorities

We built our five-year strategic plan, S28, around two core objectives:

1. Win in the markets where we compete.
2. Simplify our business to reinforce our position as Australia's leading branded food manufacturer.

We structured our plan around six strategic pillars, supported by organisational enablement.

In FY2025, we successfully completed two years of our plan, and in FY2026, we will advance our strategy through the following initiatives:

1. Revenue mix improvements by utilising advanced promotional analytics, refining our product portfolio and optimising bulk commodity returns.
2. New product launches in high demand health and wellbeing segments.
3. Continued expansion of foodservice and international businesses.
4. Increase margins through supply side savings and efficiency improvements.
5. Strengthening cash flow and reducing net debt.
6. Scaling operations to drive efficiency and lower the cost of doing business.

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Protect and grow the core	Win on the street	Streamline our sites	Sustainability	Secure solids	International opportunity
Invest behind our 'power brands' to drive marketplace participation and growth.	Improve our competitiveness by leveraging our distribution and product capability.	Optimise our manufacturing and distribution footprint.	Deliver strategy commitments focusing on circularity, community and collaboration.	Grow and diversify the supply of milk solids to support branded growth and plant efficiency.	Focus and grow our international business.

Organisational enablement
Creating a sustainable organisation to achieve our strategy

Values			
Grow our people	Passion for customer and consumer	Invest in our future	Support each other

FY2028 metrics							
ROFE >10%	EBITDA >$250M	Revenue >$3.9B	Gross margin >23%	Engagement[1] >4.0	CO2 40% reduction by 2030	Safety targets	Gender 40:40:20

1. Engagement measured by Gallup's Q12 employee engagement survey.

Our sustainability strategy

In FY2025 we launched our Better Future sustainability strategy. The strategy focuses on three pillars: circularity, community and, collaboration. These reflect our heritage in the Bega Valley, our long-term partnerships and our growth as a food producer. Better Future is informed by our most material sustainability impacts, aligns to our vision for an enduring legacy of our business, and demonstrates our commitment to the United Nations Sustainable Development Goals.

CIRCULARITY
We will lead in circularity through our practices, industry partnerships and the effective use, reuse and recycling of our resources.

COMMUNITY
We will make a positive and lasting impact by supporting our people, their families and our communities.

COLLABORATION
We will work together with our producers, customers and communities to enable sustainable practices, grow domestic economies and deliver great Australian products that people love and trust.

We aim for a future that is greater through sustainability, so we can keep nourishing and nurturing not just Australians but Australia, and the world, for generations to come.



CIRCULARITY

RESOURCE EFFICIENCY
- measuring and improving how circular we are
- minimising waste and maximising diversion by designing for recovery
- working with our customers and brands to align with national packaging targets
- cutting water use by 30% by 2030*.

EMISSIONS REDUCTION
- net Zero Carbon by 2050
- 40% reduction in scope 1 and 2 emissions by 2030*
- collaborating to mitigate scope 3 emissions.

BETTER FUTURE

*From FY2021



COMMUNITY

EMPLOYEE HEALTH AND WELLBEING
- safety is our first priority. We provide a healthy and safe workplace for all
- supporting the health and wellbeing of our people and their families
- promoting diversity, inclusion and gender equality.

POSITIVE NUTRITION OUTCOMES
- providing great-tasting nutritious products for all life stages
- clearly communicating nutrition information for informed, healthy choices.

COMMUNITY ENGAGEMENT AND AWARENESS
- supporting our communities to create meaningful and lasting impacts.



COLLABORATION

NATURAL RESOURCE MANAGEMENT
- supporting healthy ecosystems and a sustainable dairy industry
- promoting on-farm biodiversity and ecological protection
- integrating mitigation, adaptation and resilience strategies to effectively manage and report on climate risk.

RESPONSIBLE AND ETHICAL PROCUREMENT
- sourcing ingredients from suppliers that share our ethical procurement values and use accredited sources.

QUALITY SUSTAINABLE PRODUCTS
- delivering value to our consumers through high quality products and sustainable practices across our value chain.

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FY2025 Performance at a glance

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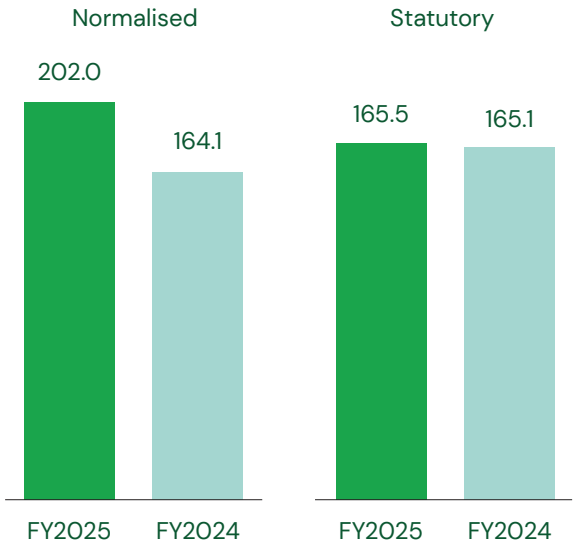
Revenue

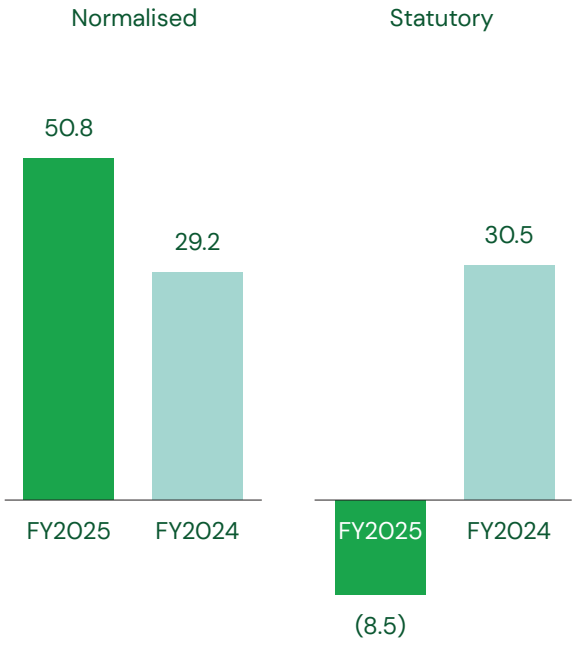
FY2025
$3.54 billion

FY2024
$3.52 billion

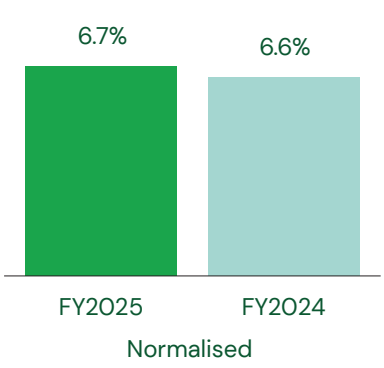
EBITDA ($ million)



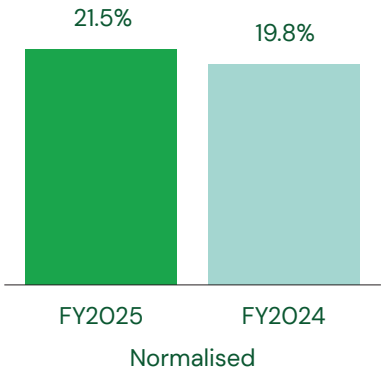
Profit after tax ($ million)



Branded EBITDA margin



Group gross margin



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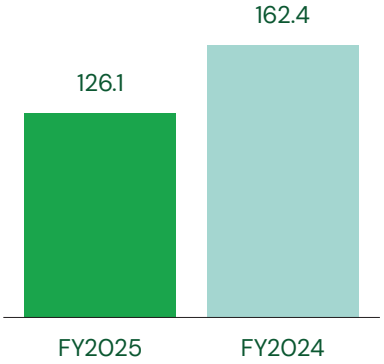
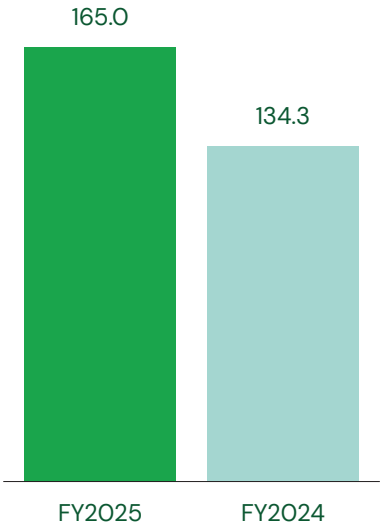
Leverage ratio#



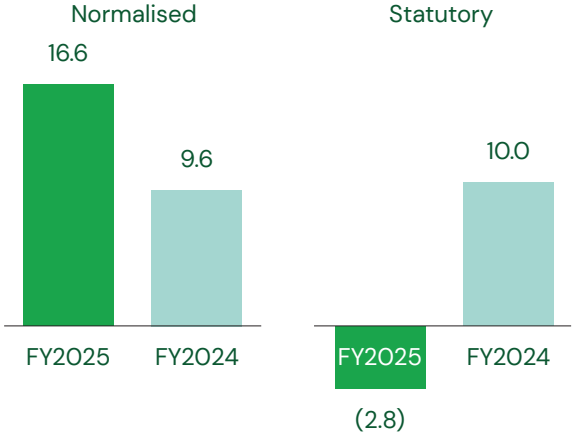
Net debt ($ million)



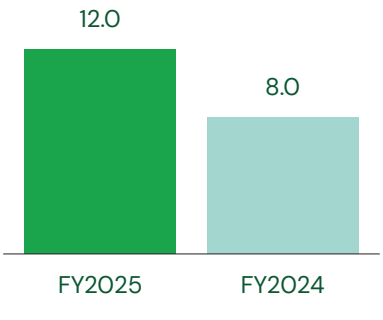
Cash flows from operating activities ($ million)



Basic earnings per share (cents)



Total dividend per share (cents)



#Net debt/normalised EBITDA (adjusted for AASB 16 leases).

Chairman and Chief Executive Officer's report

Barry Irvin
Executive Chairman

Pete Findlay
Chief Executive Officer



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Successfully executing the strategic plan

In the second year of our five-year strategic plan, FY2025, Bega Group (the Group) delivered a strong financial result while successfully navigating a challenging consumer environment marked by cost-of-living pressures and economic uncertainty. Our Branded business demonstrated great resilience in circumstances where consumers and customers were seeking enhanced value amid softer out-of-home consumption trends and retail channel shifts.

The Group's diversified brand portfolio was well-positioned for this environment, with our multi-channel brands maintaining their essential presence in Australian households. The combination of strong innovation focused on functional benefits, increased marketing investment of $8 million, and robust cost savings programs successfully offset limited pricing opportunities in a deflationary dairy market.

Our supply chain strategy recognises that to be successful our business requires a focused network of larger-scale sites capable of investing in capacity, efficiency and new product development. Strategic decisions during the year included divesting our Leeton facility and announcing the consolidation of Strathmerton cheese packaging and processing site into our Ridge Street Bega facility. These initiatives combined with enhanced automation of our largest distribution centre in Laverton Victoria, will make important contributions to the Group's long-term competitiveness and success.

Strong financial performance

Our normalised EBITDA of $202.0 million represented growth of 23% compared to FY2024, driven by the Bulk segment's return to profitability and Branded segment EBITDA growth of over $5 million despite challenging conditions. Statutory revenue reached $3.54 billion, while operating cash flow of $165.0 million exceeded the previous year by more than $30 million.

We reduced our leverage ratio substantially to 0.8 times from 1.3 times, positioning us strongly for growth opportunities. Normalised profit after tax of $50.8 million represented a 74% improvement, translating to normalised earnings per share of 16.6 cents. We declared total fully franked dividends of 12.0 cents per share, a 50% increase on the prior year.

Innovation excellence and brand investment

A number of product launches across our core categories were a feature of FY2025 with particular success in protein-enhanced offerings. Dare Protein became the number one protein iced coffee, while Dairy Farmers Protein Smoothies achieved millions of bottles sold within months of launch. The introduction of Dare Charged provided higher caffeine variants, and creative collaborations including Dairy Farmers Mars and Big M Maltesers demonstrated our innovation capabilities.

Our yoghurt business continued strong momentum with volumes growing over 10%, supported by innovations like Farmers Union Greek Yogurt Protein and Farmers Union Gut Good Yogurt addressing digestive health trends. The launch of Bega Whipped Peanut Butter represented a significant spreads category innovation.

Strategic investments and operational excellence

Capital investment of $94.4 million focused on automation, growth capacity, and efficiency improvements. The substantial Laverton warehouse automation investment will deliver annualised savings exceeding $8 million by FY2027, creating our most automated distribution centre nationally. The 'My Bega' business-to-business portal has transformed customer interactions, contributing to strong channel growth in foodservice during challenging market conditions.

The Bulk business recovery to $38.7 million EBITDA was within our target range of $30-40 million for the segment. The improved performance reflected farm gate milk pricing being more aligned with global dairy commodity prices, enhanced focus on higher-value dairy commodities including milk protein concentrate, bulk cream cheese and continued team agility in cost management.

International growth and sustainability initiatives

Our Branded international business delivered another year of profitability improvement with our focus being on the higher value cheese and yoghurt segments in Asia and the Middle East. This segment represents our strongest anticipated growth over the next decade, supported by continued investment in capabilities and customer relationships.

The Group's sustainability strategy, built on circularity, community and collaboration pillars, advanced significantly with comprehensive climate risk assessments completed in preparation for mandatory AASB S2 disclosures. As a foundation member of the Regional Circularity Co-operative Limited we continue leading innovative sustainability solutions, with the National Centre for Circularity construction planned for FY2026.

People, safety and operational excellence

Safety performance improved markedly with Total Recordable Incidents dropping 30% year-over-year, reflecting sustained investment in our six life-saving rules and comprehensive safety programs. Our expanded wellness program addresses four wellbeing pillars through health checks, on-site treatment, employee assistance programs, and enhanced recognition initiatives.

Future outlook

While FY2026 will experience increased farm gate milk prices, we anticipate consumer sentiment improving as inflation and interest rates moderate, being cautious that pricing for international dairy commodities may soften in 2H FY2026.

We enter the third year of our strategic plan with proven brand resilience, high-quality Bulk assets and efficiency programs enabling continued growth and business improvement. The momentum generated through operational excellence, strategic consolidation and brand strength provides confidence in our ability to overdeliver on our strategic target of $250 million normalised EBITDA in FY2028.

We would like to express our thanks to our shareholders, customers, employees, farmers and suppliers for their support.



Barry Irvin
Executive Chairman



Peter Findlay
Chief Executive Officer

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CASE STUDY

INNOVATING AT SCALE

Innovation is at the heart of our future growth. Our aim is to develop bigger, better innovation in our most profitable and scalable segments.

The 'Portfolio Growth Framework' is the Group's strategy that guides this innovation. It focuses resources on profitable future consumer needs and trends that will reshape our portfolio. To bring this strategy to life, we have invested in innovation capability.

The consumer insights, innovation, and nutrition teams have invested more than $1.5 million in consumer research and industry reports to generate insight-led innovation.

We have reworked processes for better ideas and faster launches, with an agile front-end discovery process for ideas and a dedicated project management office to drive implementation.

The R&D team has invested in collaborative research with universities and expert organisations to yield technical advantages for our products.

And to reduce timings and risk, our third-party manufacturer relationships help us launch faster outside of our existing production capabilities.

This enhanced capability is how we design products that bring real benefits to people to answer their most important needs. It has accelerated the growth of milk-based beverages and yoghurt net revenues in 2025.

Our response to the opportunities arising from the shift in consumer preference to higher protein products shows this process at work. In Australia, protein consumption has become more important to consumers. High protein content is now the fastest-growing consideration when choosing food and drinks. Australians citing high protein content as a top factor in their food choices have risen from 22% in March 2023 to 30% in September 2024[1]. High protein digestibility and quality[2] make dairy products well-suited to meet this demand and 58% of consumers are already likely to buy dairy products for protein[3].

By combining our strengths and focusing on our core brands and categories, we have made the most of this opportunity:

- high protein product launches into profitable growth segments:
  - Dairy Farmers, Dare and Farmers Union protein milk-based beverages
  - Farmers Union & Yoplait high protein yoghurt products
  - Dairy Farmers and Complete Dairy high protein white milks
- increased communication of existing products with good sources of protein, such as Bega peanut butter
- investment in research into protein benefits of satiety and muscle growth and repair
- unique yoghurt protein processing technology to deliver superior sensory benefits.

We also want consumers to feel confident in their ability to stay healthy and active throughout life. Protein can help, given its importance for maintaining muscle mass and strength as we age[4]. These innovations ensure high-quality dairy protein is accessible to consumers across life stages, helping create better food for a better future.

Sources:
1. Mintel Australian Consumer Insights Report, Sept 2024.
2. Mathai et al. British Journal of Nutrition. April 2017 Feb; 117(4):490-499.
3. Project Thrive, Nature Study, 2025.
4. Noakes, M, (2018) Protein Balance: New Concepts for Protein in Weight Management; CSIRO, Australia.

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CASE STUDY

GAINING MOMENTUM AND SHARE IN FOODSERVICE

In FY2025, we achieved double-digit volume growth in the Australian foodservice market. This outcome reflects the success of our "Win on the Street" pillar of our S28 strategy, built around investment in products, people, and partnerships.

The Australian foodservice channel has approximately 81,500 retailers, 72% of which are businesses such as bakeries, restaurants, hotels, cafes and catering, and 28% which are institutional, such as hospitals, and schools[1]. With an estimated $4 billion in dairy sales and a 36% share of Australians' food expenditure, this channel is a crucial area of opportunity and a strategic priority.

Foodservice has recovered from the COVID lockdowns, and some areas such as online ordering are expanding[2]. The broader industry is undergoing adjustment as cost-of-living pressures reshape consumer behaviour. More consumers are opting for lower-priced menu items and dining out less frequently, particularly at premium venues. As operators adapt to consumer demand changes, they are facing rising costs in labour, ingredients and energy[2].

In this changing market, we grew its market share. We focused on our core categories of cheese, culinary creams, and spreads, and launched new products under the trusted Dairy Farmers brand. To support this expansion, we enhanced our foodservice sales capability by adding experienced specialists to our team. We also deepened collaboration with key customers to extend our reach across foodservice outlets nationwide.

Our gain in sales momentum in FY2025 has proven our strategic approach and we will continue to invest in this channel.

Sources:
1. Estimates as of July 2024.
2. Uber Eats Pulse Check Oct 24.



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Directors' report

Your directors present the Annual Financial Report of the Bega Group for the year ended 30 June 2025.



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Directors (from left to right):
Standing: Janette Kendall, Peter Margin, Raelene Murphy, Terry O'Brien, Harper Kilpatrick
Seated: Barry Irvin, Patria Mann, Rick Cross

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Review of Financial Performance and Operations

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Key highlights

Positive momentum in the Branded segment, the return to profit of the Bulk segment, and a reduction in net debt were highlights in FY2025. The Group maintained strong market share positions across key categories and expanded growth in foodservice and Asia, beyond the Group's traditional stronghold in retail grocery. Manufacturing footprint rationalisation initiatives announced in FY2025, and the automation of the Group's largest distribution centre will deliver material cost efficiencies which are forecast to achieve their full annualised run rate in FY2027. During FY2025, the Group realised the full year benefit of the organisational realignment completed part way through FY2024, and with continued focus on core categories delivered innovative new consumer products.

In FY2025, the Group rationalised its Branded manufacturing footprint by undertaking the following initiatives:

- consolidation of the Group's Tasmanian operations by ceasing the manufacture of fresh dairy products at the Kings Meadows facility and relocating it to the Group's Lenah Valley site,
- selling the Leeton primary juice processing site in New South Wales (NSW) and establishing a long-term juice supply agreement, and
- announcing the closure of Strathmerton cheese processing and packaging operation in Victoria and consolidation of production to Ridge Street Bega NSW to be completed by the end of FY2026.

The Group incurred one-time pre-tax costs of $83.7 million related to Branded manufacturing rationalisation initiatives (including non-cash impairment costs of $47.2 million).

Export dairy commodity prices improved in FY2025 following a low in September 2023, and the realignment of dairy commodities and farm gate milk prices during FY2025 enabled the Bulk segment to rebound. As a result, the Group's Bulk segment recorded a normalised EBITDA of $38.7 million in FY2025, a significant improvement on the normalised EBITDA loss of $18.2 million in FY2024. The Group concentrated its agile, low-cost Bulk segment on supporting the growth of its Branded business, as well as the sale of higher value proteins to external customers.

Throughout FY2025, the Group maintained a disciplined focus on cash, improving operating cashflow to $165.0 million and funding capital expenditure of $94.4 million to support innovation, capacity, efficiency, the significant manufacturing rationalisation initiatives announced, as well as the warehouse automation which will become operational in 2H FY2026. It reduced net debt by 22% to $126.1 million and lowered the leverage ratio to 0.8 times (from 1.3 times in FY2024). The Group maintains a strong balance sheet and is well-placed to support future growth opportunities.

Finance and operational overview

The Group generated statutory revenue of $3.5 billion in FY2025, up 0.5% on FY2024, and statutory EBITDA of $165.5 million, in line with FY2024. Statutory after-tax profit was a loss of $8.5 million, $39.0 million lower than FY2024, and statutory earnings per share (EPS) was negative 2.8 cents in FY2025, compared to 10.0 cents in the prior year. The statutory after-tax profit and EPS in FY2025 were both negatively impacted by the one-time cost associated with the manufacturing rationalisation program announced by the Group during the year.

The Group will, as it has in previous years, report on both the statutory result and the normalised result for FY2025 compared to the prior year. This report focuses on the normalised result to demonstrate the underlying financial performance of the Group. The normalising adjustments to the statutory results are in the table on page 26. The non-IFRS financial information contained in this Directors' Report has not been audited in accordance with the Australian Auditing Standards.

The Group generated normalised EBITDA of $202.0 million in FY2025, up 23% on FY2024, normalised profit after tax (NPAT) of $50.8 million, up 74%, and normalised EPS of 16.6 cents, up from 9.6 cents.

The Group FY2025 result was bolstered by:

- realignment of dairy commodities and farm gate milk prices returning the Bulk segment to profit
- strong category growth, particularly in yoghurt and the launch of high protein and 'better for you' products
- refinement of Branded assets and achievement of operational cost saving and continuous improvement programs
- discipline on working capital optimisation and improved operating cashflow.

The Group result for FY2025 was adversely impacted by:

- price deflation in the cheese and milk categories, particularly across retailer own brands
- slower growth in some product categories and sales channels as cost-of-living pressures strained household budgets
- higher Branded commodity cost inputs, particularly in cheese, coffee, cocoa, and citrus
- cost challenges in primary processing of peanuts.

The Group maintains a strong balance sheet, having reduced net debt to $126.1 million (FY2024: $162.4 million) and leverage ratio down to 0.8 times (FY2024: 1.3 times), well within covenant limits. This positions the Group well to fund organic and inorganic growth investments.

The Group received 1.34 billion litres of milk during FY2025 (excluding milk received for some tolling arrangements), up 1% on the 1.33 billion litres received in FY2024. The national milk pool remained relatively stable in FY2025 with growth across New South Wales offsetting drought impacted regions across southern Australia. The Group thanks milk suppliers for their loyalty and welcomes new suppliers.

Strategic priorities

In FY2025 the Group continued to progress strongly in the second year of its five-year strategy, S28, achieving the following strategic highlights.

Protect and grow the core

The Group launched new products in profitable, high-growth segments and expanded its footprint:

- new Dare Protein, which has since ascended to the

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number one protein milk-based beverage in Australia

- new Whipped peanut butter, high-protein milk and yoghurt protein and gut health products
- extended range in the energy drink segment with Dare Charged
- expansion of its lactose-free white milk range into new regions.

Win on the street

The Group increased capability and reach to service customers:

- expansion of its foodservice channel presence
- online customer portal rolled out to customers.

The Group implemented initiatives to reduce the 'cost to service' including:

- efficiencies in its route network
- consolidation of warehousing including the sale of the Berkeley Vale warehouse in New South Wales (NSW) in 1H FY2025
- automation of the Laverton national distribution centre in Victoria.

International opportunity

The Group strengthened in-market capabilities in select geographies with:

- a new distribution business model in the United Arab Emirates
- the expansion of its retailer key account model and an increase in market resources
- expansion of the successful 'chef led selling' initiative to drive foodservice demand.

Farmers Union yoghurt maintained the number one position for yoghurt in Singapore.

Streamlined sites

Over the course of FY2025, the Group moved towards greater site scale, utilisation and efficiency by:

- consolidating Betta Milk operations, moving them to Lenah Valley and closing the Meander Valley dairy site
- selling the Leeton primary juice processing site and entering into a long-term supply agreement
- announcing the planned closure of the Strathmerton cheese site with most production moving to Ridge Street Bega at end of FY2026
- completing the strategic reviews of Peanut Company of Australia Pty Ltd (PCA) Kingaroy and Tolga peanut sites in Queensland, with site exits announced on 9 July 2025.

Secure solids

The Group improved milk returns from pricing and product mix changes such as:

- commodities and farm gate milk price being better aligned, normalising returns in the Bulk segment
- growing milk protein concentrate manufacturing capacity and sales
- growing cream cheese manufacturing capacity to meet future demand.

Sustainability

The Group implemented its 'Better Future' refreshed sustainability strategy:

- partnering and progressing the establishment of the National Centre for Circularity in the Bega Valley
- advancing energy efficiency projects aligned to the 2030 emissions reduction target
- supporting on-farm sustainability through the Better Farms Program
- expanding site-based Diversity, equity and inclusion (DEI) groups tracking towards the Group's 40:40:20 gender targets.

Significant events

Manufacturing footprint rationalisation

On 26 August 2024, the Group announced that it had entered into a binding agreement to sell its Leeton juice extraction facility and related assets to Australian Juice Processing and Bottling Pty Ltd (Grove Juice), subject to conditions, for $11.4 million. Completion of the sale occurred in the second quarter of FY2025, with Grove Juice taking ownership of the facility and providing employment to Leeton staff. Grove Juice commenced processing fruit on behalf of the Group as part of a long-term agreement.

On 6 May 2025, the Group announced the consolidation of its Strathmerton cheese processing and packaging operations into its Ridge Street, Bega site. It expects to compete the phased closure of the Strathmerton site by late FY2026. The consolidation of sites is forecast to deliver $30 million per annum of cost savings from FY2027 onwards by eliminating duplication and reducing fixed cost once the integration is complete.

On 9 July 2025, the Group, following a 12-month strategic review, announced that it will wind down and close its peanut processing business, PCA. This will lead to a phased shutdown of the facilities at Kingaroy and Tolga over the next 18 months.

In addition to the sale and exit of the Leeton site and announced closure of Strathmerton in FY2026, other manufacturing footprint rationalisation initiatives were undertaken across the Group as well as a portfolio rationalisation program to reduce complexity and unlock efficiencies.

The combination of these events resulted in a negative impact to the Group's profit before tax of $83.7 million, including $47.2 million of impairment expense for owned and leased plant and equipment, and employee redundancies of $34.1 million.

Safety

The Group is committed to ensuring a healthy and safe work environment for employees, contractors, and visitors to its operations. The Group's safety principles guide the Group safety culture.

Throughout the year, the Group focused on proactive hazard identification to drive improvement in its safety performance

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as a key element of the safety behavioural leadership program. This focus on leading metrics has resulted in a significant improvement in FY2025 in the safety performance as measured through total hazards reported and Total Reportable Injury Frequency Rate (TRIFR). Activity in FY2025 also included progress on machine safety risk reduction across the Group's manufacturing network and rollout of advanced Lock Out Tag Out (LOTO).

Environmental regulatory compliance

The Group's manufacturing sites are subject to Federal and State Environment Protection Regulations. The Group is also subject to various licensing requirements. These licences stipulate performance requirements as well as the specific monitoring of emissions such as noise, air, odour, and wastewater.

In FY2025, the Group reported compliance activities to environmental regulators and water authorities with no financial penalties for non-compliance reported. Notifications have been resolved with the appropriate regulator, with the following specifically reported:

- One event of exceeding solid particle limits at the Koroit site in Victoria was reported to the EPA. Corrective actions have been implemented.
- One event of potential contamination of stormwater from irrigation water at the Koroit farm area was reported to the EPA. Corrective actions have been implemented.
- Eighteen wastewater breaches were reported against trade waste agreements: Twelve at the Penrith site in New South Wales, one at the Lenah Valley site in Tasmania, two at the Koroit site, one at Port Melbourne site, one at the Morwell site in Victoria, and one at the Salsbury site in South Australia. No fines were issued in respect of these breaches.
- A transitional environmental program is open, with the Group managing and reducing dust at the Tolga site in Queensland.

The Group resolved all remaining informal and formal complaints received in relation to environmental issues and no further action was required of the Group by regulators in respect of these issues.

In addition, during FY2025, the Group complied with all statutory environmental reporting requirements and continues to monitor and report energy consumption and greenhouse gas emissions to the relevant authorities.

Sustainability program

Outlined below are the key deliverables in FY2025 from the Group's sustainability strategy – Better Future. The 2025 Sustainability Report, the Corporate Governance Statement, the Bega Respect Statement, the APCO Annual Report and Action Plan, Workplace Gender and Equality Agency Report and the Modern Slavery Statement provide further details. These documents are published on the Group's website.

Governance

During FY2025 the Risk and Sustainability Committee (RSC) met four times to oversee the adequacy and effectiveness of the Group's sustainability performance and consider its material exposure to commercial, operational, environmental and social risks. In addition to approval of the refreshed sustainability strategy, Board and Committee Charters were updated in FY2025 to reflect responsibility for the consideration of climate-related risks and opportunities.

Energy management

The Group is committed to achieving its greenhouse gas emission reduction targets. The Energy Management Capability Program, now in its sixth year, has mapped energy at two more sites and identified opportunities for improved energy efficiency and reductions in scope 1 and 2 greenhouse gas emissions.

Packaging

The Group's Packaging Sustainability Policy which supports Australia's 2025 National Packaging Targets guides the Group's approach to reducing the impact of packaging. Over the course of the year, industry participants encountered significant barriers implementing initiatives, resulting in insufficient progress across the industry towards these national targets. A government review into Australia's current national co-regulatory framework, and the commencement of packaging regulation reform is still underway. The Group experienced some of these barriers, particularly with respect to inconsistent supply and significant cost increases. It has made the difficult decision to reduce the percentage of recycled plastic used in some of its bottles, including flavoured milk and juice impulse products. The Group has maintained the use of post-consumer recycled polyethylene terephthalate (rPET) in bottles of less than one litre for Dare Iced Coffee, Big M and Dairy Farmers Classic milk-based beverages. These bottles will still use recycled plastic, but the percentage of recycled plastic content will be reduced. The Group's investment of $14 million to establish in-house production of bottles will enable it to increase the use of recycled content in the future. Almost 90% of total packaging in the 2024 calendar year was reusable, recyclable or compostable and the Group increased the recycled content of its packaging by 5% over the same period.

Ethical sourcing

The Group seeks to build trust and meet customer and consumer expectations by ensuring that ethical sourcing practices are promoted throughout the supply chain. In FY2025, the Group updated its Ethical Sourcing Policy to extend these requirements and to support the Group's Supplier Responsible Sourcing Code, which details the minimum standards for suppliers. New vendors onboarded in FY2025 were risk assessed against these requirements, those that the Group identified as high-risk were subsequently registered with a globally recognised human rights data exchange database. There were two business-critical non-conformances arising from audits of high-risk suppliers this year, both of which await auditor review.

Nutrition

The Group is committed to providing great-tasting nutritious products for all life stages and to clearly communicating nutrition information for informed, healthy choices. The approach is informed by the Australian Dietary Guidelines 2013 and the Group participates in Australia's voluntary Health Star Rating System for front-of-pack labelling. Health Star Ratings now appear on over 75% of the labels of the Group's milk, milk beverages, yoghurt, drinks and peanut butter products. In

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FY2025, the Group launched Farmers Union Gut Good Yogurt, which promotes a healthy gut biome, and a range of protein products including: Dare Protein Double Espresso with 45 grams of protein, Farmers Union Iced Coffee with 36 grams of protein and Dairy Farmers Protein Smoothie+ with 30 grams of protein and prebiotics.

Employee health and wellbeing

This year the Group launched the Bega Wellbeing Strategy and Bega Wellbeing Program. The strategy has taken into consideration the total cost of absence across the Group and feedback from the Group's team members. The Group has identified four foundational pillars of wellbeing: emotional, physical, financial, and social. The Wellbeing Program is key to intervening early to ensure team members and their families remain healthy now and into the future. The Wellbeing Program methodology and design follows the wellbeing wheel, promoting, preventing, intervening early and supporting recovery for good health and wellbeing. New programs and services including a health, safety and wellbeing platform, health checks, health coaching, creating mentally healthy workplaces and financial planning education have all been rolled out successfully across the Group. The Group has created a wellbeing champion network to foster a positive culture where people feel supported and connected with the resources they need.

The Group reports annually to the Workplace Gender Equality Agency (WGEA) against the standardised gender equality indicators, in accordance with requirements under the *Workplace Gender Equality Act 2012* (Cth). The Group is a signatory to the HESTA 40:40 Vision, an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. The Group has committed to reach the 40:40 Vision target of 40% women on the Executive Leadership Team and Board: 20% by 2024, 30% by 2027, and 40% by 2030.

Supporting farmer suppliers

To June 2025, the Group has invested $3.5 million in grant support through the Better Farms Program across all milk supply regions, including funding of projects in best practice adoption for animal welfare, effluent management, and irrigation and water management improvement. This year, the Group reviewed the Better Farms Program to include initiatives to better support its dairy farmers in the transition to a low carbon economy and to include learnings from the work of the Bega Circular Valley Project. The Group surveyed 192 farms across Australia to identify resource efficiency opportunities, improve profitability and enhance ecological outcomes and analysed the results of that survey. The survey also helps to measure and understand the Group's scope 3 greenhouse gas emissions ahead of mandatory reporting.

Modern slavery prevention

The Group publishes its Modern Slavery Statement annually in December, in compliance with section 13 of the *Modern Slavery Act 2018* (Cth) and section 24 of the *Modern Slavery Act 2018* (NSW). During FY2025 the Modern Slavery Working Group, consisting of a cross-functional group of executives and senior managers, met monthly to oversee the delivery of the Group's Modern Slavery Action Plan and to assess current and emerging risks within the Group's supply chain. This year the working group focused on policy development, category risk identification and the rollout of business wide education on this matter.

Climate-related financial disclosures

In FY2026 the Group is required to disclose information about climate-related risks and opportunities that could reasonably be expected to have a material impact over the short, medium or long term. These mandatory reporting requirements are set out in AASB S2 Climate-related Disclosures, a mandatory standard for certain entities to apply in accordance with requirements that are set out in the *Corporations Act 2001*.

In preparation for this mandatory reporting the Group has completed a risk and opportunity assessment across two climate scenarios. Each climate scenario considers both physical and transition risks over short, medium and long term time frames defined as 2030, 2040 and 2050 respectively. The Group used two Shared Socioeconomic Pathways (SSP) 1-1.9 and SSP 3-7.0 as the basis for climate modelling.

The risk and opportunity assessment evaluated six key physical climate risks: cyclones, flooding, heat stress, water stress, bushfires and sea level rise. The Group also considered value chain components, including factories, logistics, customers, consumers and key ingredients both internationally and domestically.

The findings from this assessment will provide a strategic foundation to evaluate potential climate-related impacts to the business and ensure that the Group is able to conduct a compliant materiality assessment in FY2026. Compliance with AASB S2 Climate-related Disclosures remains on the Group's Board approved Risk Appetite Statement and climate-related risk is included in the updated risk management framework.

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Dividends paid in FY2025

On 29 August 2024, the Group declared a final FY2024 fully franked dividend of 4.0 cents per share, representing a distribution of $12.2 million. The Directors activated the Group's Dividend Reinvestment Plan (DRP) for this dividend. The DRP offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares without transaction costs. On 3 October 2024, the Group allotted the shares purchased under the DRP, raising $1.0 million in new share capital.

On 20 February 2025, the Group declared an interim fully franked dividend of 6.0 cents per share, representing a distribution of $18.3 million. The Directors activated the Group's DRP for this dividend. On 3 April 2025, the Group allotted shares purchased under the DRP, raising $1.2 million in new share capital.

On 21 August 2025, the Group declared a final fully franked dividend of 6.0 cents per share representing a distribution of $18.3 million, an increase of $6.1 million compared to the 2024 final dividend. The DRP will also be available for this dividend.

Dividends paid to shareholders in relation to the FY2025 year will total $36.6 million which represents a $12.2 million increase from the dividends paid in respect of FY2024 which totalled $24.4 million.

Reconciliation of statutory and normalised performance

As in previous years, the Group reports on both the statutory result and the normalised result for FY2025 compared to the prior year. Commentary in this report focuses on the normalised result.

Group statutory result FY2025

On a statutory reporting basis, the Group generated:

$ million	FY2025	FY2024
EBITDA	165.5	165.1
EBIT	27.1	74.3
PBT	(6.7)	39.8
PAT	(8.5)	30.5
EPS	(2.8) cents	10.0 cents

Group normalised result FY2025

The statutory result for the Group in each of FY2025 and FY2024 includes several material non-trading one-off items. While these items all have a financial impact on the statutory performance, they do not affect the underlying financial performance of the Group.

To provide a more meaningful understanding of the underlying financial performance, the Group makes normalising adjustments to the statutory financial statements. These are set out in more detail in the table on page 26. Removing the one-off items, on a normalised basis the Group generated:

$ million	FY2025	FY2024
EBITDA	202.0	164.1
EBIT	110.8	76.1
PBT	77.0	41.6
PAT	50.8	29.2
EPS	16.6 cents	9.6 cents

Normalising adjustments in FY2025 relate to manufacturing footprint rationalisation initiatives undertaken by the Group. These initiatives are outlined below:

- In the second quarter of FY2025, the Group completed the sale of its Leeton juice extraction facility and related assets to Australian Juice Processing and Bottling Pty Ltd (Grove Juice) for $11.4 million. Grove Juice has taken ownership of the facility and commenced processing fruit on behalf of the Group as part of a long-term agreement.
- In May the Group announced the consolidation of its Strathmerton cheese packaging operations into its Ridge Street, Bega site. A phased closure of the Strathmerton site is expected to be complete by FY2026. The consolidation of sites is forecast to deliver $30 million per annum of cost savings from early FY2027 by eliminating duplication and reducing fixed cost once the integration is complete.
- The Group also undertook other manufacturing footprint rationalisation initiatives as well as a portfolio rationalisation program to reduce complexity and unlock efficiencies. This resulted in some redundancies and asset impairments across numerous manufacturing sites.

The initiatives outlined above resulted in a negative impact to the Group's profit before tax of $83.7 million, including $47.2 million of impairment expense for owned and leased plant and equipment.

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The table below demonstrates the movement between the financial performance for statutory reporting purposes and the normalised financial performance for the Group. These adjustments have not been subject to specific audit procedures.

CONSOLIDATED	Per Financial Statements $m	Manufacturing footprint rationalisation $m	Normalised outcome $m
Period ended 30 June 2025			
Revenue	3,539.0	-	3,539.0
Cost of sales	(2,808.8)	29.6	(2,779.2)
Gross profit	**730.2**	**29.6**	**759.8**
EBITDA	165.5	36.5	202.0
Depreciation, amortisation and impairment	(138.4)	47.2	(91.2)
EBIT	27.1	83.7	110.8
Net finance costs	(33.8)	-	(33.8)
Profit/(loss) before income tax	**(6.7)**	**83.7**	**77.0**
Income tax (expense)/benefit	(1.8)	(24.4)	(26.2)
Profit/(loss) for the year	**(8.5)**	**59.3**	**50.8**
Gross margin – percentage	**20.6%**		**21.5%**
Basic earnings per share – cents	**(2.8)**		**16.6**

CONSOLIDATED	Per Financial Statements $m	Canberra sale $m	Restructuring $m	Betta Milk acquisition $m	Tax adjustments $m	Normalised outcome $m
Period ended 30 June 2024						
Revenue	3,521.6	-	-	-	-	3,521.6
Cost of sales	(2,823.1)	-	-	-	-	(2,823.1)
Gross profit	**698.5**	**-**	**-**	**-**	**-**	**698.5**
EBITDA	165.1	(13.2)	5.3	6.9	-	164.1
Depreciation, amortisation and impairment	(90.8)	-	-	2.8	-	(88.0)
EBIT	74.3	(13.2)	5.3	9.7	-	76.1
Net finance costs	(34.5)	-	-	-	-	(34.5)
Profit/(loss) before income tax	**39.8**	**(13.2)**	**5.3**	**9.7**	**-**	**41.6**
Income tax (expense)/benefit	(9.3)	3.9	(1.6)	(2.1)	(3.3)	(12.4)
Profit/(loss) for the year	**30.5**	**(9.3)**	**3.7**	**7.6**	**(3.3)**	**29.2**
Gross margin – percentage	**19.8%**					**19.8%**
Basic earnings per share – cents	**10.0**					**9.6**

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Cash flow, net debt and Group capital management

Cash flows

The Group generated the following cash flows in FY2025:

$ million	FY2025	FY2024
Operating activities	165.0	134.3
Investing activities	(76.3)	(52.3)
Financing activities	(33.4)	(82.8)

Key operating activities generating cash flow in FY2025 were:

- net profit after tax of $126.4 million after adjusting back non-cash items of impairment, depreciation, amortisation, profit on sale of non-current assets
- lower working capital of $42.5 million, mostly from reduced receivables mainly due to timing of customer sales and receipts.

Key investing activities generating cash flow in FY2025 were:

- payments totalling $94.4 million for capital investment including automation, capacity, efficiency, footprint rationalisation and software
- receipt of $21.3 million largely from the sale of Leeton and a number of unutilised properties.

Key financing activities generating cash flow in FY2025 were:

- increase in borrowings of $19.0 million
- principal elements of lease payments of $24.0 million
- dividend payments of $28.4 million.

Net debt at year end

The Group had consolidated net debt of $126.1 million as at 30 June 2025, compared to $162.4 million as at 30 June 2024, a reduction of $36.3 million. The reduction in net debt arose from $165.0 million of cash inflow from operations. This was partially offset by cash outflows of $76.3 million from investing activities, dividend payments of $28.4 million, and principal lease payments of $24.0 million.

Balance sheet capital management

The Group maintained the Common Terms Deed Debt Facilities arranged in June 2024. The Common Terms Deed Debt Facilities have two aggregate facilities: Facility 1 which has an aggregate limit of $270 million maturing in July 2027 and Facility 2 which has an aggregate limit of $180 million maturing in February 2027.

The Group continues to receive the strong support of its bankers and has the following facilities:

- the Common Terms Deed Debt Facilities funded by six banks with Westpac acting as the agent
- an Inventory Facility and Trade Receivables Facilities provided by Rabobank, and
- other guarantee facilities provided by Westpac.

The Group reduced its normalised EBITDA to net debt leverage ratio to 0.8 times in FY2025 (1.3 times in FY2024) and is well within the year end bank covenant limit of 3.5 times. The Group expects its leverage ratio to continue within covenant requirements throughout FY2026 and is well-placed to meet future covenant obligations.

Capital investment

The Group increased capital investment to $94.4 million in FY2025 (FY2024: $74.6 million). The Group's FY2025 capital works program centred on:

- automation of warehouse capability at the Laverton national distribution centre which becomes fully operational in 2H FY2026
- increased yoghurt capacity at Morwell
- initial equipment orders for increased cheese capability and capacity at Bega ahead of Strathmerton site closure in FY2026
- investments in IT to achieve greater levels of automation and efficiency
- improving safety and infrastructure across multiple sites.

Risk management

The Group's senior management team is responsible for an effective and integrated risk management framework to ensure both strategic and operational risks are continuously identified, assessed, and treated in a timely and appropriate manner.

The Risk and Sustainability Committee (RSC) is responsible for the oversight of the governance of both corporate risk and sustainability. The role of the RSC is to work in conjunction with the Board on assessing and setting the Group's risk appetite and providing senior management with decision-making guidelines to support the agreed profile. The RSC is responsible for overseeing and assessing the efficacy of the Group's risk management policy, processes and procedures, and regularly reviews and updates the risk appetite statement for approval by the Board.

The changing nature of the risk environment is reflected in the Group's risk appetite statement which the Board reviews and updates regularly. During FY2025, the Board adjusted the appetite ratings of eight risks in response to internal or external factors. The Group continued to enhance management reporting to the RSC during FY2025 by providing further information relating to identified risks and plans in place to improve controls where appropriate.

The internal audit function provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control and governance, along with recommendations to improve the effectiveness and efficiency of these systems and processes.

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Key strategic risks include:		
Source of risk	**Risk overview**	**Mitigation strategies**
Geopolitical tensions	Significant country and regional upheavals impacting normal lines of business	• Continue to focus on building diversified revenue streams • International supply chain resilience including multi-supplier arrangements for key raw materials • Supply chain reviews for capital item purchasing
Product and consumer trends	Unable to forecast significant shifts away from profitable product categories that materially impact returns to the business	• Further investment in consumer insights teams, research and trend analysis including sustainability initiatives • Active product innovation team • Align capital investment plan to support attractive categories
Competitors	New domestic market entrants change the competitive landscape	• Investment in key brands, brand growth, and brand extension plans • Maintain strong customer and supplier relationships • Monitoring of market conditions
Milk pool and milk returns	Milk volumes decline in Australia increasing the relative price of milk and reducing ability to grow profitably	• Emphasis on maintaining strong farmer relationships and delivering a competitive farm gate milk price • More geographically diverse spread of site assets • Focus on higher-returning dairy categories, solids returns and portfolio mix • Secure overseas dairy solids where appropriate in categories such as cheese and long-life milk
Climate change	Failure to understand, prepare for, or respond to, climate--related financial impacts including climate-related financial disclosures	• Strong relationships with industry bodies, regulators and suppliers • Understand long-term scenario impacts of global warming on key assets and address long-term capital and investment plans
Biosecurity	Biosecurity hazards have a material and immediate impact on the Group's access to key international markets and may limit the supply of agricultural inputs and long-term viability of producers and processors	• Relationships with federal and state government and trade industry bodies • Review in-market supply, production and distribution options to maintain continuity of supply and sales globally
Technology and cyber security	Technology becomes aged and is not maintained and upgraded on a regular basis and is no longer able to support the business adequately Security of technology platforms across the business is breached	• Maintain conformance to the ISO 27001 Information Security Management System (ISMS) standard • Maintain alignment to NIST CSF (Cyber Security Framework) • Continue regular organisation-wide awareness and training programs • Prioritise use of cloud-based solutions • Enterprise-wide backup and system recovery solution
People retention	Failure to attract and retain top talent that gives the Group a competitive advantage	• Development plans in place for top talent across the Group • Remuneration reviews, benchmarking and performance recognition • Regular reviews and recommendations for improvement for regretful exits and unsuccessful contract offers

Key strategic risks include:		
Source of risk	**Risk overview**	**Mitigation strategies**
Business continuity	Robust business continuity plans for all sites and essential centralised services are not in place and the business is unable to respond to an event	• Identify 'high risk sites' and implement upgraded business continuity plans referencing production and supply chain alternatives in the event of a disruption • Regular testing of response plans, product recall processes and production diversion processes
Safety	Operations fail to protect employees from physical and or psychosocial harm	• Executive level performance measures include safety performance • Comprehensive safety management systems inclusive of incident management • Capital approval process that prioritises safety investment
Food safety	Unsafe products are produced and leave Bega facilities causing harm to the public and significant reputational damage	• Mature quality management system that is compliant with international standards • Frequent external reviews of premises by external parties across accreditations • Continue to integrate quality reviews, approvals and testing protocols into the product release process
Environmental compliance	Operations fail to meet environmental compliance obligations	• Energy Management Capability Program • Continuous site reviews and audit schedule
Sustainability	Failure to deliver on commitments made and communicate effectively with internal and external stakeholders on sustainability	• Undertake comprehensive materiality assessments and review target areas • Deliver the Bega Sustainability Strategy initiatives • Engage and communicate with stakeholders on sustainability commitments
Wage underpayment	Underpaying staff in relation to legal obligations incurring significant fines and reputational damage	• Continue to assess areas of high risk • Implement rolling Enterprise Bargaining Agreement (EBA) compliance reviews covering the waged workforce

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Outlook

The increase in normalised EBITDA in FY2025 has the Group on track to exceed its S28 five-year strategic plan. The Group increased investment behind its market-leading brands and experienced profit growth across most key categories and sales channels. The consumer environment while challenging, is showing positive signs as inflationary pressure eases and consumer confidence increases. The Group is encouraged by the return of the Bulk segment to profit after a challenging FY2024.

The Group has announced significant Branded manufacturing rationalisation initiatives. The closure and relocation of production from Strathmerton to Ridge Street Bega towards the end of FY2026 is forecast to deliver annualised savings of $30 million from FY2027. The closure of the Peanut Company of Australia will take approximately 18 months to complete. The automation of the largest distribution centre in the Group's network, Laverton, will become operational during FY2026. These initiatives will improve the efficiency and effectiveness of the Branded segment and mitigate cost and overhead inflation. Continuation of Branded innovation and investment behind market-leading brands in key growth categories, coupled with international expansion is expected to deliver solid growth in FY2026 and across the strategic horizon.

After the rebound of the Bulk segment in FY2025, the market is seeing heightened competition for milk and a lift in the opening FY2026 farm gate milk price.

The Group remains focused on maintaining the balance sheet strength to enable it to unlock the growth expected across the strategic horizon, as well as capitalise on value accretive organic and inorganic opportunities.

CASE STUDY

FARMERS UNION SUCCESS IN SOUTHEAST ASIA



Economic growth, urbanisation and the shift towards health-conscious living is fuelling the growth of yoghurt in Southeast Asia. The Farmers Union yoghurt brand, offering health and great taste, is well-positioned for expansion in the premium yoghurt category.

The Southeast Asia markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam have relatively low per capita dairy consumption and remain heavily reliant on imports. Consumption is on the rise, with dairy imports growing at rates of 6% to 10% per annum[1], underpinned by large populations, a growing middle class and associated purchasing power, and increased urbanisation.[2]. The yoghurt category is one of the strongest performers, with the increasing popularity of its gut health and immunity benefits.

Australia's geographic proximity and the ongoing improvement in regional cold-chain logistics make these markets attractive for our premium yoghurt exports which we have grown 18% in volume in FY2025. Farmers Union is well-placed to meet the increased demand. Known for its combination of great taste and health benefits, it is already the number one yoghurt brand in Singapore and the leading imported yoghurt in Malaysia and Thailand.

We will continue to invest in marketing and distribution in Southeast Asia, North Asia and the Middle East to meet this growth opportunity using the Farmers Union , Yoplait and Dairy Farmers brands.

Sources:
1. Import statistics based on 5-year average.
2. IMF and country statistics.

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Barry Irvin AM GAICD
Executive Chairman Bega Cheese Limited

Barry Irvin is recognised globally for his extensive experience in the dairy industry and has been Chairman of Bega Cheese Limited since 2000. Barry's leadership has seen Bega grow from a small regionally based dairy company to now one of the largest dairy and food companies in Australia, supplying a large range of dairy and grocery products in Australia and around the world.

Barry's depth of knowledge of the industry includes a significant understanding of the issues affecting Australian dairy farmers, the key investments required to meet changing consumer needs and the management of long-term customer relationships.

Barry is very aware of the importance of social responsibility, he has been Chairman of Giant Steps, an organisation providing services to children and young adults with autism since 2002.

BGA Committees:
- Nil

Other Directorships:
- Chairman of Giant Steps Australia Limited
- Chairman of the Regional Circularity Co-operative Limited

Former ASX listed Directorships in the last 3 years:
- Nil



Peter Margin BSc(Hons), MBA
Independent Director since September 2020 and Deputy Chairman

Peter has many years of leadership experience in major Australian and international food companies, including Executive Chairman of Asahi Holdings (Australia) Pty Ltd, Chief Executive Officer of Goodman Fielder Ltd and before that Chief Executive Officer and Chief Operating Officer of National Foods Ltd.

BGA Committees:
- Chair of the Risk and Sustainability Committee

Other Directorships:
- Chairman at Golf Australia
- Member of the Harris Farm Advisory Board
- Member of the Geminder Family Advisory Board

Former ASX listed Directorships in the last 3 years:
- Non-executive Director of Costa Group Holdings (ASX:CGC)
- Non-executive Director of Nufarm Ltd (ASX:NUF)
- Non-executive Director of Endeavour Group (ASX:EDV)



Raelene Murphy BBus, FCA, GAICD
Independent Director since June 2015

Raelene Murphy has over 35 years' experience in strategic, financial and operational leadership in both industry and professional advisory. In her professional advisory career, she specialised in operational and financial restructuring including merger and acquisition integration. She was formerly a Managing Director at KordaMentha and a Partner in a national accounting firm where she led the corporate turnaround practice. Her industry experience includes as Chief Executive Officer of the Delta Group and senior executive roles in the Mars Group.

Raelene is a Fellow of Chartered Accountants Australia and New Zealand, a member of Chief Executive Women and a Graduate of the Australian Institute of Company Directors.

BGA Committees:
- Chair of the Audit Committee
- Member of the Nomination, Remuneration, People & Capability Committee
- Member of the Risk and Sustainability Committee

Other Directorships:
- Non-executive Director of Integral Diagnostics Limited (ASX:IDX)
- Non-executive Director of Tabcorp Holdings Limited (ASX:TAH)
- Non-executive Director of Amotiv Limited (ASX:AOV)

Former ASX listed Directorships in the last 3 years:
- Non-executive Director of Altium Limited (ASX:ALU)
- Non-executive Director of Elders Limited (ASX:ELD)



Janette Kendall BBus, FAICD
Independent Director since February 2025

Janette is a highly experienced company director with over 25 years board experience across industries including marketing, technology, media and retail.

She has guided organisations through transformation, disruption, acquisitions, and global expansion, with a strong focus on strategy, risk, and governance.

Her executive career in Australia and China spans marketing, digital innovation, operations, and leadership across multiple sectors.

Janette is a Fellow of the Australian Institute of Company Directors, a Fellow of Monash University, and a member of Chief Executive Women.

BGA Committees:
- Nil

Other Directorships:
- Non-executive Director of KM Property Funds Limited
- Non-executive Director of Tabcorp Holdings Limited (ASX:TAH)
- Non-executive Director of Vicinity Centres (ASX:VCX)

Former ASX listed Directorships in the last 3 years:
- Director of Costa Group (ASX:CGC)

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Terry O'Brien FCPA, FAICD
Independent Director since September 2017

Terry brings to the Board a wealth of experience in the food industry, including a period of the Chairmanship of the Australian Food and Grocery Council and has been responsible for leading growth and acquisition strategies over many years in the industry.

Terry was, from 2001 until 2017, the Managing Director of Simplot Australia Pty Limited, the US owned, but Australian-centric, food processor and marketer managing leading Australian brands including Birds Eye, Edgell and John West. After his retirement in early 2017, Terry took up a number of Australian company board positions, recently reducing these to two.

An accountant by training, Terry has been active in finance and management roles in the textile industry for ten years and in the food industry for over 30 years.

BGA Committees:
- Chair of the Nomination, Remuneration, People & Capability Committee
- Member of the Audit Committee

Other Directorships:
- Chairman of Bundaberg Brewed Drinks Pty Limited

Former ASX listed Directorships in the last 3 years:
- Nil



Rick Cross B.Agr Sci (Hons), GAICD
Independent Director since December 2023

Rick was appointed to the Board following the merger of Bega Cheese Limited and Tatura Milk Industries Pty Ltd. Rick joined the Tatura Milk Industries' Board in 2003 and was heavily involved in negotiating the initial subscription by Bega of 70% shareholding in Tatura Milk Industries. Rick also took a lead role in negotiating the scheme of arrangement for Bega to acquire the remaining 30% of Tatura Milk Industries in December 2011.

Rick has represented dairy farmers in many various industry roles, and was formerly the Chair of Murray Dairy.

Rick has been a Supplier Director of the Group since December 2011. He ceased being a supplier of milk to the Group on 23 December 2023 and therefore has become an Independent Director of the Group from this date.

BGA Committees:
- Chair of the Milk Services Committee
- Member of the Nomination, Remuneration, People & Capability Committee

Other Directorships:
- Nil

Former ASX listed Directorships in the last 3 years:
- Nil



Patria Mann BEc, FAICD
Independent Director since September 2019

Appointed in September 2019, Patria is an experienced Independent Director with over 20 years board experience across various sectors and geographies. She has significant insight and understanding of market development, business transformation, including digital and technological change and M&A and financial transactions. She also brings strong ASX, audit, risk management and governance experience.

Patria qualified as a Chartered Accountant and was a Partner at KPMG. She is a Fellow of the Australian Institute of Company Directors.

BGA Committees:
- Member of the Audit Committee
- Member of the Risk and Sustainability Committee

Other Directorships:
- Non-executive Director of GWA Limited (ASX:GWA)
- Non-executive director of GDI Property Group Limited (ASX:GDI)

Former ASX listed Directorships in the last 3 years:
- Non-executive Director of EVT Limited (ASX:EVT)
- Non-executive Director of Ridley Corporation Limited (ASX:RIC)



Harper Kilpatrick BSc(Agri), MBA, FCA, GAICD
Director since April 2021

Originally from Northern Ireland, Harper and his wife own a number of dairy farms in Australia. Harper's career has centred around agriculture and agribusiness. His career in agribusiness included several senior executive roles with Glenfarm Holdings rendering business in the UK, and Deputy CFO / Head of Finance with Almarai Co., the market leading Gulf Cooperation Council food and beverage company based in Riyadh, Saudi Arabia.

Harper has held several Australian dairy industry positions including nine years as a non-executive Finance Director of the Australian Dairy Conference Pty Limited, three years as a non-executive director of West Vic Dairy Inc. and 18 months as a non-executive director of Murray Goulburn Co-operative Limited.

BGA Committees:
- Member of the Audit Committee
- Member of the Risk and Sustainability Committee
- Member of the Milk Services Committee

Other Directorships:
- Nil

Former ASX listed Directorships in the last 3 years:
- Nil

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Principal activities

The principal activity of the Group in the course of the financial year was receiving, processing, manufacturing and distributing dairy and other food-related products. A number of key events in relation to the activities of the Group during the year ended 30 June 2025 are set out in the Chairman and Chief Executive Officer's Report and the Review of Financial Performance and Operations which are to be read in conjunction with this Directors' Report.

Dividends

	2025 $m	2024 $m
Interim ordinary dividend for the year ended 30 June 2025 of 6.0 cents	18.3	-
Final ordinary dividend for the year ended 30 June 2024 of 4.0 cents	12.2	-
Interim ordinary dividend for the year ended 30 June 2024 of 4.0 cents	-	12.2
Final ordinary dividend for the year ended 30 June 2023 of 3.0 cents	-	9.1

In addition to the above dividends, since the end of the financial year the directors of the Group (Directors) have recommended payment of a final ordinary dividend of $18.3 million (6.0 cents per fully paid share) to be paid on 25 September 2025.

Review of operations

A comprehensive review of operations is set out in the Review of Financial Performance and Operations.

Significant changes in the state of affairs

Other than those disclosed in the Chairman and Chief Executive Officer's Report and the Review of Financial Performance and Operations there have been no significant changes in the state of affairs of the Group since the last annual report.

Indemnification and insurance premiums for officers

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and all executive officers of the Group and of any related body corporate against a liability incurred as such a Director or executive officer, not exceeding the extent permitted by law. The contracts of insurance prohibit disclosure of the nature of the liabilities and the amount of the premiums. The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Group or any related body corporate against a liability incurred as such an officer. This does not include remuneration or employment-related benefits, any sum payable pursuant to a financial support direction or contribution notice issued in respect of any pension scheme, fines and pecuniary penalties for a deliberate or intentional act, nor amounts which are prohibited to be paid by law.

Each Director has entered into a deed of access and indemnity with the Group, which indemnifies them for losses incurred as a Director or officer of the Group and places an obligation on the Group to maintain a current Directors' and Officers' policy with a reputable insurer for the period of the Director's tenure and for a seven year tail period (or longer if there is an unresolved outstanding claim against the Director) and a contractual right of the Director to access Group records for the period of the Director's tenure and for a seven year tail period (or longer if there is an unresolved outstanding claim against the Director).

The Group has also agreed to indemnify the Company Secretary and certain senior executives for all liabilities to another person (other than the Group or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

Company Secretary

The Company Secretary registered with the ASX is Brett Kelly FCA, GAICD. Brett was appointed to the position of Company Secretary in 2002. Brett holds a Bachelor of Commerce in Accounting and is a Chartered Accountant with 40 years' experience. He has also been a graduate member of the Australian Institute of Company Directors since 2006. Brett completed the Certificate in Governance and Risk Management with the Governance Institute of Australia in December 2011.

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Meetings of Directors and Board Committees

Meetings of the Audit Committee

	Held and eligible	Attended
Raelene Murphy	4	4
Patria Mann	4	4
Terry O'Brien	4	4
Harper Kilpatrick	4	4

Meetings of the Nomination, Remuneration, People & Capability Committee

	Held and eligible	Attended
Terry O'Brien	4	4
Rick Cross	4	4
Raelene Murphy	4	4

Meetings of the Milk Services Committee

	Held and eligible	Attended
Rick Cross	4	4
Harper Kilpatrick	4	4

Meetings of the Risk and Sustainability Committee

	Held and eligible	Attended
Peter Margin	4	4
Raelene Murphy	4	4
Harper Kilpatrick	4	4
Patria Mann	4	4

Meetings of the Board of Directors

	Held and eligible	Attended
Barry Irvin	10	10
Rick Cross	10	10
Patria Mann	10	10
Raelene Murphy	10	9
Terry O'Brien	10	10
Peter Margin	10	10
Harper Kilpatrick	10	9
Janette Kendall[1]	5	5

(1) The Board resolved to appoint Janette Kendall as a member of the Board of Directors, effective 27 February 2025.

Directors gave apologies in advance of the meetings they were unable to attend.

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Remuneration report (audited)

Letter from the Nomination, Remuneration, People & Capability Committee (NRPCC) Chair

Dear Shareholders,

On behalf of the Board of Bega Cheese Limited (or the Group), I am pleased to present you with our FY2025 Remuneration Report. We remain committed to ensuring that we have remuneration structures in place which support our vision and purpose ("Great Food, Great People, Great Aspirations and Greater Good") and our reward outcomes align with sustainable long-term value creation in the interests of our shareholders and other stakeholders.

FY2025 Performance & strategy highlights

FY2025 saw positive momentum in the Branded segment continue and the return of the Bulk segment to profitability. The Group maintained leading share positions in key categories driven by innovation and brand investment, and championed channel expansion particularly in foodservice and internationally, particularly across Asia. The Bulk segment significantly improved EBITDA to $38.7 million, from a EBITDA loss of $18.2 million in FY2024 as the disconnect between dairy commodities and farmgate milk prices eased. The Group announced several significant manufacturing rationalisation initiatives that will be implemented over the next 18 months and will result in cost efficiencies over the strategic planning horizon. The Group was able to meet the Short Term Incentive payment gateway threshold in FY2025. A portfolio of market-leading brands and a strong balance sheet positions the business well to support future growth opportunities.

FY2025 Remuneration and People & Capability highlights

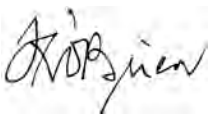
We were proud to have become a signatory in FY2023 to HESTA's 40:40 Vision to achieve gender balance in executive leadership by 2030, and in FY2024 made the same commitment to membership of the Board. The Board now comprises 3 female and 5 male members with Janette Kendall appointed to the Board in February 2025. The 40:40 Vision is an initiative led by members of Australia's investor and business community across all ASX300 companies. Signing up to this initiative demonstrates our long-term commitment to workplace gender equality and demonstrates our values of Support Each Other and Grow Our People.

Linking remuneration outcomes with Group performance

Having regard to the Group performance:

- The FY2025 Short Term Incentive (STI) Plan opened for payment for the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer being Key Management Personnel (KMP). The STI Plan opened for payment because of the Group EBITDA FY2025 metrics meeting the payment gateway threshold. The Group EBITDA FY2025 budget was achieved and a proportion of the stretch target was met. Free cash flow and safety metrics were achieved. A partially achieved assessment on the individual personal objectives was made for each KMP. Refer to Section "FY2025 STI outcomes" for further details.
- Performance rights granted under the FY2023-2025 Long-Term Incentive (LTI) Plan, tested on 30 June 2025 will partially vest, reflecting that whilst the performance target for Earnings Per Share (EPS) was not met, the target for and Return on Funds Employed (ROFE) was partially achieved. Refer to Section "LTI awards vesting in FY2025" for further details.
- Performance rights granted under the FY2024-2026 LTI Plan, tested on 30 June 2025, will vest at the end of the three-year period of the plan reflecting that the FY2025 performance hurdle of ROFE was achieved. Refer to section "LTI awards vesting in FY2025" for further details.
- To increase alignment between KMP incentives and shareholder interests, a relative Total Shareholder Return measure is in the FY2025-2027 LTI Plan, as introduced in the FY2024-2026 LTI Plan, which will be assessed over the three-year period of the plan.

The highlight of the remuneration outcomes in FY2025 was the partial vesting of performance rights granted under the FY2023-2025 LTI Plan, which is the first time since FY2015 that there has been any vesting under LTI Plans that have been in place in the Group since that time. Overall remuneration outcomes for our Executive KMP reflect the business performance in FY2025 and thus meet the intention of our remuneration policy. The Board is very pleased with the Group's capital management performance over the year and the payment of performance based incentives to senior management is reflective of that outcome.



Terry O'Brien

Chair of the Nomination, Remuneration,
People & Capability Committee

Remuneration at Bega Group in FY2025

40:40 Vision of gender composition of reports to the Chief Executive Officer and the Board

We were proud to become a signatory in FY2023 to HESTA's 40:40 Vision to achieve gender balance in executive leadership by 2030. In FY2024 we extended this vision to also include membership of the Board. This initiative is led by members of Australia's investor and business community across all ASX300 companies.

40:40 stands for 40% women, 40% men and 20% any gender, and 40:40 Vision seeks to achieve this goal by encouraging companies to set and publicly report on progress against targets for the composition of their executive leadership teams.

Signing up to 40:40 Vision demonstrates our long-term commitment to workplace gender equality, demonstrating our values of Support Each Other and Grow Our People. 40:40 Vision is a way we can further align to the United Nations Sustainable Development Goal, to achieve gender equity and empower all women.

We have set our goals to reach the 40:40 Vision target of 40% women on our Executive Leadership Team and the Board in the following way, and we recognise we must continue to do more work to reach 40:40 in all leadership teams across the Group.

- 2024 – 20%
- 2027 – 30%
- 2030 – 40%

As at the end of FY2025 22% (2) of our Executive team, and 38% (3) of our Board are women.

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Key Management Personnel Remuneration

This report sets out the remuneration of the Executive Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Non-executive Directors. These individuals represent the Key Management Personnel (KMP) of the Group, being those accountable for planning, directing and controlling the affairs of the Group during the financial year ended 30 June 2025.

The executive positions comprising KMP are determined by the Nomination, Remuneration, People & Capability Committee (NRPCC) in consultation with the Executive Chairman and the CEO. There was no change to the composition of executive KMP in FY2025. There was one new Board member appointed, Janette Kendall on 27 February 2025.

Name	Position held	Term
Executive KMP		
Barry Irvin	Executive Chairman	Full year
Peter Findlay	Chief Executive Officer	Full year
Gunther Burghardt	Chief Financial Officer	Full year
Non-executive Directors		
Rick Cross	Non-Executive Director	Full year
Janette Kendall	Non-Executive Director	Part year – appointed 27 February 2025
Harper Kilpatrick	Non-Executive Director	Full year
Patria Mann	Non-Executive Director	Full year
Peter Margin	Deputy Chairman	Full year
Raelene Murphy	Non-Executive Director	Full year
Terry O'Brien	Non-Executive Director	Full year

Overview of FY2025 executive remuneration framework

At Bega Group, our executive remuneration framework is designed to attract, motivate and retain highly qualified and experienced executives, who align with our vision and purpose of "Great Food, Great People, Great Aspirations and Greater Good."

Our remuneration structures ensure a linkage between pay outcomes and business performance. Our remuneration structures ensure that we:

- appropriately remunerate executives for their role
- motivate executives to perform in the best interests of the company
- make remuneration decisions in a way that provides equity and consistency in and between roles
- have remuneration outcomes that are aligned with our short-term and long-term objectives
- support effective governance
- attract and retain the talent we need to underpin the Group's strategic plan.

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An overview of our Executive KMP remuneration framework is set out below:

Remuneration Element	Description
Fixed remuneration 50% of total target opportunity	Total fixed remuneration (TFR) comprises cash salary and superannuation contributions. TFR is not subject to specific performance or deliverables criteria and is generally considered fixed for the duration of the relevant annual review period. TFR is reviewed annually by the NRPCC regarding individual and Group performance, the skills and experience of the individual, the size and complexity of the individual's role and the KMP's total remuneration package. Further information can be found under FY2025 Fixed Remuneration outcomes.
Short-Term Incentive 25% of total target opportunity	The objective of the Short-Term Incentive (STI) Plan is to reward participants for achieving annual goals linked with the Group's strategy. Payments under the STI Plan are subject to agreed performance outcomes as approved by the Executive Chairman and the NRPCC for the CEO and CFO. The performance outcomes for the Executive Chairman are approved by the Board. Further information can be found under FY2025 STI outcomes.
Long-Term Incentive 25% of total target opportunity	The objective of the Long-Term Incentive (LTI) Plan is to reward participants for long-term performance and long-term value creation for shareholders. The LTI Plan is subject to the achievement of performance hurdles as determined by the NRPCC. Further information can be found under LTI awards granted in FY2025.

Linking remuneration outcomes with Group performance

The key indicators of Group performance and shareholder wealth relevant to the remuneration of KMP that have been extracted from the FY2025 financial statements are as follows:

Key performance indicator		FY2025 Actual	FY2025 Normalised	FY2024 Actual	FY2024 Normalised	FY2023 Actual	FY2023 Normalised	FY2022 Actual	FY2022 Normalised	FY2021 Actual	FY2021 Normalised	FY2025 vs FY2024 Normalised Amount	FY2025 vs FY2024 Normalised %
Enterprise value	$m	1,791	1,791	1,456	1,456	1,070	1,070	1,422	1,422	2,087	2,087	335	23
Profit before tax	$m	(6.7)	77.0	39.8	41.6	(256.8)	35.2	33.8	64.0	99.2	60.1	35	85
Profit after tax	$m	(8.5)	50.8	30.5	29.2	(229.9)	28.5	24.2	46.3	78.0	39.6	22	74
Dividends per share	Cents	12.00	12.00	8.00	8.00	7.50	7.50	11.00	11.00	10.00	10.00	4	50
Earnings per share	Cents	(2.8)	16.6	10.0	9.6	(75.6)	9.4	8.0	15.2	29.5	15.0	7	73
Share price at 30 June	$	5.46	5.46	4.25	4.25	2.85	2.85	3.82	3.82	5.89	5.89	1	28
Total shareholder return	%	30.8	30.8	51.9	51.9	(23.4)	(23.4)	(33.3)	(33.3)	34.6	34.6	(21)	n/a
KMP total remuneration	$'000	5,962	5,962	4,540	4,540	3,507	3,507	3,852	3,852	4,446	4,446	1,422	31

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FY2025 Fixed Remuneration outcomes

(a) Overview

As noted above, the Total Fixed Remuneration (TFR) for KMP is reviewed annually by the NRPCC having regard to individual and Group performance, the skills and experience of the individual, the size and complexity of the individual's role and the KMP's total remuneration package. In setting TFR, to remain market competitive, the NRPCC will refer to appropriate external market benchmarks.

(b) Review of TFR in 2025

The following changes were made to the TFR of Executive KMP in FY2025:

- **Executive Chairman:** consistent with previous years, the Board agreed that the TFR of the Executive Chairman be split as to his responsibilities as Chairman of the Board and as the most senior executive of the Group.

  In FY2025, the Executive Chairman's remuneration was adjusted as follows:

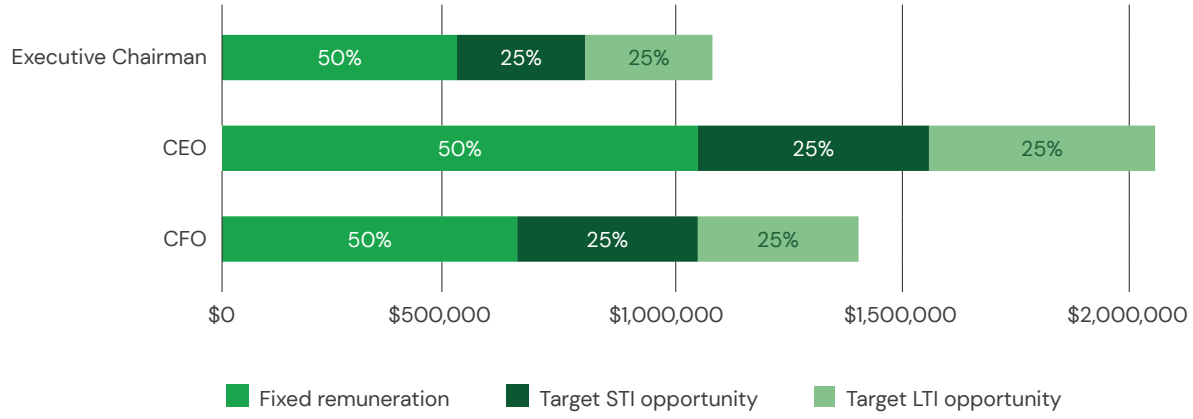
  - The Executive Chairman's TFR was increased by 3.5% (inclusive of the legislated superannuation guarantee increase effective 1 July 2024), in line with the Group's annual salary review budget, to $545,000 per annum effective 1 September 2024, as approved by the Board.
  - The Executive Chairman's fee for his role as the Chairman of the Board was increased by 3.5% to $234,000 in line with the Group's annual salary review budget, effective 1 December 2024, as approved by the Board.

  The Executive Chairman's annual fixed remuneration is $779,000 comprising a TFR of $545,000 relating to his executive duties and $234,000 relating his role as Chairman of the Group.

- **CEO:** The CEO's TFR was increased by 3.5% (inclusive of the legislated superannuation guarantee increase effective 1 July 2024), in line with the Group's annual salary review budget to $1,031,000 per annum effective 1 September 2024 as approved by the Board.

- **CFO:** The CFO's TFR was increased by 3.5% (inclusive of the legislated superannuation guarantee increase effective 1 July 2024), in line with the Group's annual salary review budget to $688,000 per annum effective 1 September 2024 as approved by the Board.

The target pay mix of the Executive Chairman (excluding Chairman Board Fees), the CEO and CFO is set out below:



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FY2025 STI outcomes

(a) Overview

Executive KMP have the potential for part of their total remuneration to be delivered under the Group's STI Plan, which is designed to reward the achievement of performance hurdles that are linked to the annual objectives which are tied to the Group's overarching strategy.

The payment of any STI is subject to the personal performance of the individual and the Group against determined financial and non-financial criteria and is also subject to the achievement of Group and individual gateways i.e., if these gateways are not met there will be no payment under the STI Plan unless discretion is exercised by the Board. The maximum STI payable is 110% of target opportunity with 10% aligned to a stretch EBITDA target.

The Group performance and individual gateway for the STI Plan to open in FY2025 were met.

The target STI awards that Executive KMP were eligible to receive in respect of FY2025 are set out in the table below. These outcomes reflect both individual and Group performance against key metrics.

Executive KMP	Target STI Opportunity ($)	Target STI (% of fixed remuneration)	% of target STI awarded
Barry Irvin	$272,500[1]	50%	97%
Peter Findlay	$515,500	50%	97%
Gunther Burghardt	$344,000	50%	98%

(1) Mr Irvin's target STI opportunity is based on his executive remuneration, not on the fees he receives as Chairman of the Board.

(b) Performance against FY2025 STI measures

The target STI award that the Executive Chairman was eligible to receive in respect of FY2025 is set out in the table below. The NRPCC reviewed the performance of the Executive Chairman and recommended the following outcomes for Board approval.

STI component	Target %	Barry Irvin, Executive Chairman Achieved %
EBITDA	50%	50%
EBITDA stretch	10%	3%
Personal objectives	50%	47%

The target STI awards that the CEO and CFO were eligible to receive in respect of FY2025 are set out in the table below. The NRPCC reviewed the performance of the CEO and CFO and recommended the following outcomes for Board approval.

STI component	Target %	Peter Findlay, CEO Achieved %	Gunther Burghardt, CFO Achieved %
EBITDA	50%	50%	50%
EBITDA stretch	10%	3%	3%
OH&S	10%	10%	10%
Free cash flow	15%	15%	15%
Personal objectives	25%	22%	23%

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FY2025 STI terms – further detail

The STI for the Executive Chairman, CEO and CFO are determined in accordance with the STI Plan as approved annually by the Board. The table below outlines the key terms and conditions applying to the STI Plans for the Executive KMP during FY2025.

Component	Detail
Target opportunity	50% of total fixed remuneration for the Executive Chairman, CEO and CFO.
Performance period	STI awards are assessed over the 12-month financial year. Any STI award payments are made after performance is tested at the end of the performance period.
Vehicle	All STI awards are delivered in cash.
Gateway	The Executive Chairman, CEO and CFO are only entitled to a payment under the STI Plan if specific Group performance and individual gateways are achieved. These gateways ensure that STI payments are aligned to the Group's key strategic and business objectives. The Group gateways are as follows: • no STI payments are made unless the Group achieves or exceeds targeted EBITDA (having accrued for the payout of the program in that year) • no STI payments are made if during the year there is a major safety, quality or environmental event that was within the reasonable control of the Group. Individual gateways apply to the Chairman, CEO and CFO meaning that no STI payment is made unless the individual KMP executed their duties in a proper and effective manner by: • leading by example and being a role model for safety, quality, and the environment • demonstrating collegiate behaviour and active participation in workgroup meetings • upholding and promoting the Group's values and behaviours. The CEO and CFO need to meet additional individual performance gateways relating to participation in safety, quality and environmental programs as well as achieving a satisfactory annual performance review.
Personal objectives	Each KMP has individual performance objectives. These personal objectives are clearly linked to key strategic areas set for the business. Performance objectives include improvement in Group safety performance, cost reduction, productivity improvements, and business growth.
Financial objectives	The financial metrics to be applied are reviewed by the Board on an annual basis to ensure that they closely align with the specific corporate, leadership and financial objectives of the Group. The strategic plan, business and operating plans and annual budgets are the key reference points used in determining the financial metrics. Each year the NRPCC makes a recommendation to the Board for approval in respect of the determined financial metrics for all KMP.
Performance assessment	Each KMP's performance was assessed at the end of the financial year against their agreed objectives. Overall performance was assessed considering what was achieved in total across all objectives, how this was achieved and by an assessment of personal adherence to the Group's values.
Governance	**Executive Chairman performance** At the end of the financial year the NRPCC reviews the performance of the Executive Chairman relating to his executive duties against determined criteria. **CEO performance** At the end of the financial year the Executive Chairman assesses the actual performance of the CEO against determined criteria. **CFO performance** At the end of the financial year, the CEO assesses the actual performance of the CFO against the determined criteria. STI outcome recommendations are submitted to the NRPCC prior to being submitted to the Board for final review and approval. Board approval is required before any STI plan is paid.
Board discretion	The Board has absolute discretion to amend any component of the STI for KMP.

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LTI awards granted in FY2025

(a) Overview

The Group operates an LTI Plan for the Executive Chairman, CEO and CFO. The purpose of the LTI is to:

- assist in the retention, motivation and reward of the Executive Chairman, CEO and CFO
- link the reward of the Executive Chairman, CEO and CFO to shareholder value creation
- align the economic interests of CEO and CFO with shareholders by providing an opportunity to be rewarded via an equity interest in the Group based on creating shareholder value.

The Executive Chairman, CEO and CFO have identical LTI performance targets.

The FY2025 LTI grant will be assessed against Earnings Per Share (EPS) and relative Total Shareholder Return (TSR).

(b) FY2025 LTI awards

The table below outlines the face value of LTI awards granted to KMP during FY2025.

Executive KMP	Target LTI opportunity ($)	Target LTI opportunity (% of Fixed Remuneration)	Number of performance rights allocated
Barry Irvin	$272,500	50% of fixed remuneration	N/A (see further detail below)
Peter Findlay	$515,500	50% of fixed remuneration	96,535
Gunther Burghardt	$344,000	50% of fixed remuneration	64,419

The table below sets out the key terms attached to the LTI awards granted to the KMP during the year.

Component	Detail
Overview	The FY2025 LTI Plan is designed to reward the Executive Chairman, CEO and CFO for long-term performance and long-term value creation for shareholders.
Instrument	• **Executive Chairman (cash)**: The Executive Chairman is a substantial shareholder of the Group and as a result his personal financial interests are already aligned with other shareholders. The opportunity to receive further shares in the Group under a share-based long- term incentive plan may be seen to provide the Executive Chairman with an opportunity to increase his shareholding in a manner not available to other substantial shareholders. As such, the Executive Chairman's LTI is to be paid in cash if the performance hurdles are met. • **CEO and CFO (equity-settled performance rights):** Given that the CEO and CFO are not substantial shareholders of the Group, the Board has agreed that the best way to align the performance of the CEO and CFO with the interests of shareholders is for the outcome available under their long-term incentive to be based on performance rights over ordinary shares in the Group. The number of performance rights for the LTI Plan is calculated using the 'face value' method (see below). Subject to the satisfaction of the performance hurdles and the vesting conditions as set out below, each performance right issued under the plan is converted into one fully paid ordinary share in the Group.
Exercise price	Nil.
Allocation methodology	The face value of the performance rights for allocation purposes is calculated by taking the closing price of Bega Cheese Limited shares at the November NRPCC meeting which was held on 19 November 2024 and deducting the present value of expected dividends forgone over the duration of the FY2025 Plan (i.e. the dividends not received until the performance rights vest). The fair value as per AASB 2 Share-based payments for the FY2025 LTI grant is $5.34 and the grant date is 12 December 2024.
Performance period	The FY2025 LTI grant is subject to a performance period from 1 July 2024 to 30 June 2027.

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Component	Detail
Performance measures	**Performance measures** The table below outlines the performance measures and vesting schedules applying to the FY2025 LTI Plan as it applies to the Executive Chairman, CEO and CFO. **Apportionment of performance rights** • 50% of the performance rights granted under the FY2025 LTI Plan are subject to a performance hurdle based on the achievement of an Earnings Per Share (EPS) growth target. The EPS growth target is outlined below and applies over the entire performance period. • 50% of the performance rights granted under the FY2025 LTI Plan are subject to a relative Total Shareholder Return (TSR) target. The TSR target applies over the entire performance period. The apportionment of performance rights is outlined in the table below:

Performance hurdle	Apportionment of performance rights
EPS FY2025-FY2027	50%
Relative TSR FY2025-FY2027	50%
Total	**100%**

Performance measures and targets

Earnings Per Share

Vesting percentage	EPS Compound Annual Growth Rate (CAGR) target FY2025-FY2027
Nil vesting	Below 32% over the performance period
Pro-rated vesting between 0% and 50%	Between 32% and 36% compound annual EPS growth over the performance period
50% vesting	At 36% over the performance period
Pro-rated vesting between 50% and 100%	Between 36% and 40% over the performance period
100% vesting	At 40% or above over the performance period

Total Shareholder Return (TSR)

The Board has determined that the TSR hurdle will be based on the Company's TSR relative to the TSR performance of a group of companies (Peer group) over the performance period. The Peer group for the TSR hurdle will be the ASX 101-300, and vesting will occur in accordance with the below schedule.

Vesting percentage	TSR Compound Annual Growth Rate (CAGR) target FY2025-FY2027
Below the median of the Peer group nil vesting	Vesting will occur on a straight-line basis between 50% and 100% of the metric
At the median of the Peer group 50% vesting	
At or above the 75th percentile of the Peer group 100% vesting	

TSR is calculated as a percentage growth in shareholder value over the performance period based on share price growth and dividends, assuming they are reinvested into shares.

Component	Detail
Dividend and voting rights	There are no voting or dividend rights until the performance rights vest and are exercised and converted into ordinary shares in the Company. Additional performance rights are not granted as a result of holding performance rights when dividends are declared by the Group.
Restrictions on transfer	The CEO and CFO may not transfer or encumber the performance rights with a security interest without the consent of the Board.
Malus	All performance rights will also lapse in other circumstances, including, but not limited to, where the CEO and CFO have acted fraudulently or dishonestly as determined by the Board.

There will be no vesting of performance rights assessed under the EPS and TSR measure under the FY2025 LTI Plan unless the KMP remains employed with the Group during the entire performance period of the plan, unless the KMP is determined to be a "good leaver" under the rules of the plan.

Performance rights that have not vested because of performance measures not being met will automatically lapse, nor will any cash payment be made to the Executive Chairman in these circumstances.

LTI awards vesting in FY2025

(a) Overview

Long-Term Incentive Plan FY2023 – FY2025

The FY2023 LTI Plan was tested in FY2025 (i.e. on 30 June 2025). 50% of this award was tested against EPS growth targets, and 50% against ROFE targets of the plan with vesting subject to continued employment over the performance period.

The EPS performance was below threshold and resulted in all EPS-based cash awards and performance rights lapsing. The ROFE performance was at the 89th percentile, which resulted in 89.32% ROFE-based cash awards and performance rights vesting.

Long-Term Incentive Plan FY2024 – FY2026

The second ROFE tranche of the FY2024 LTI was tested in FY2025 (i.e. on 30 June 2025). 11% of the award was tested against the FY2025 ROFE target.

The ROFE performance hurdle for the second tranche of the FY2024 LTI was met, and as a result a cash payment will be made to the Executive Chairman and vested performance rights granted to the CEO or CFO at the end of the three year plan period.

Employee Share Purchase Plan

The Group provides KMP's the opportunity to acquire Bega Cheese Limited shares under the Bega Cheese Limited Employee Share Plan through a pre-tax salary sacrifice arrangement. The plan enables participants to sacrifice up to $5,000 to acquire shares in the company, subject to a holding restriction.

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Executive KMP remuneration statutory table

Details of each Executive KMP's remuneration for FY2025 (calculated in accordance with the applicable Accounting Standards) are set out below.

		Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payment		Total
	Year	Cash salary and fees $	Short-term incentive $	Superannuation $	Leave[1] $	Long-term incentive[2] $	Cash settled performance rights[3] $	Equity settled performance rights[3] $	All amounts $
Executive Chairman									
Barry Irvin[4]	2025	742,658	272,500	29,932	83,347	206,837	138,475	-	1,473,749
	2024	719,010	194,821	27,399	63,446	(85,424)	144,339	-	1,063,591
Executives									
Peter Findlay	2025	995,198	515,500	29,932	106,170	-	-	472,256	2,119,056
	2024	962,769	373,418	27,399	98,687	-	-	73,097	1,535,370
Gunther Burghardt	2025	643,619	347,440	29,932	58,744	-	-	296,656	1,376,391
	2024	633,436	249,218	27,399	55,620	-	-	62,820	1,028,493
Total Executive remuneration	**2025**	**2,381,475**	**1,135,440**	**89,796**	**248,261**	**206,837**	**138,475**	**768,912**	**4,969,196**
	2024	2,315,215	817,457	82,197	217,753	(85,424)	144,339	135,917	3,627,454

(1) The expense relates to the combined long service and annual leave accrual during the year.

(2) LTI based on the achievement of specified milestones of the Executive Chairman's LTI Plan. The amount of $206,837 reflects the expense for the FY2025 year for the vesting of the FY2023 to FY2025 and the FY2025 to FY2027 plans. Further details of the Executive Chairman's LTI Plan are set out in the Summary of Plans above.

(3) In accordance with accounting standards, remuneration includes the amortisation of the fair value at grant date of performance rights issued under the LTI Plans that are expected to vest, less any write-back on performance rights lapsed or expected to lapse as a result of actual or expected performance against Plan hurdles. The value disclosed in the above table represents the portion of fair value allocated to this reporting period and is not indicative of the benefit, if any, that may be received by the Executive should the performance conditions with respect to the relevant long term incentive plan be satisfied. The amount of $138,475 under the cash settled performance rights in FY2025 reflects the current year expense for the FY2024 to FY2026 plan for the Executive Chairman. The amount of $768,912 under the equity settled performance rights in FY2025 reflects the current year expense for the FY2023 to FY2025, the FY2024 to FY2026 and the FY2025 to FY2027 plans for the CEO and CFO. Further details of the CEO's and CFO's LTI Plan are set out in the Summary of Plan above.

(4) Includes remuneration for Non-executive Chairman responsibilities.

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Non-Executive Directors' remuneration

Remuneration policy and arrangements

The Board sets Non-executive Director fees in line with the key objectives of the Group's remuneration policy set out below.

- Market competitive: In setting Directors' fees, the Board takes into consideration the Group's existing remuneration policies, fees paid by comparable companies and the level of remuneration required to attract and retain Directors of the appropriate calibre. The Board will also have regard to the size and complexity of the Group's operations, as well as the workload and time commitments and responsibilities of their roles.
- Independence and impartiality: To maintain independence and impartiality, Non-executive Directors are not entitled to any form of incentive payments and the level of their fees is not set with reference to measures of Group performance (except for the Executive Chairman who participates in the STI and LTI plans based on his TFR which relates to his executive duties).

Aggregate fee pool

The Group pays Chair and Committee fees to the Non-executive Directors out of the maximum aggregate fee pool of $1,750,000 per annum approved by shareholders at the 2021 Annual General Meeting.

Fees and other benefits

The following table details the previous and current level of all Directors' fees and allowances, which are all inclusive of superannuation obligations. Fees were increased in December 2024 by approximately 3.5%, with the exception of the Chair of the Audit Committee fee, which was increased by 5.9% to reflect additional responsibilities of the role:

	Rate as from 1 July 2024 $	Rate as from 1 December 2024 $
Board fees		
Chairman of the Board	226,000	234,000
Deputy Chairman	53,500	55,400
Director fees	113,000	117,000
Committee fees		
Chair of Audit Committee	25,500	27,000
Audit Committee member allowance	12,750	13,200
Chair of NRPCC	25,500	26,400
NRPCC member allowance	12,750	13,200
Chair of Milk Services Committee	16,000	16,600
Milk Services Committee member allowance	8,000	8,300
Chair of Risk and Sustainability Committee	25,500	26,400
Risk and Sustainability Committee member allowance	12,750	13,200

Non-executive Directors are also entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred while engaged on the business of the Group.

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Non-executive Directors – statutory remuneration

The fees paid or payable to the Non-executive Directors of the Group in respect of FY2025 are set out in the table below.

	Year	Director fees	Superannuation	Total
		$	$	$
Non-executive Directors				
Rick Cross	2025	129,772	14,924	144,696
	2024	125,957	13,855	139,812
Janette Kendall[1]	2025	34,978	4,022	39,000
	2024	-	-	-
Harper Kilpatrick	2025	134,111	15,423	149,534
	2024	127,290	14,002	141,292
Patria Mann	2025	126,779	14,580	141,359
	2024	118,431	13,027	131,458
Peter Margin	2025	175,755	20,212	195,967
	2024	170,533	18,759	189,292
Raelene Murphy	2025	150,434	17,300	167,734
	2024	145,796	16,038	161,834
Terry O'Brien	2025	138,449	15,922	154,371
	2024	134,441	14,788	149,229
Total Non-executive Director remuneration	**2025**	**890,278**	**102,383**	**992,661**
	2024	822,448	90,469	912,917

(1) Janette Kendall was appointed to the Board on 27 February 2025.

Remuneration governance

Overview of remuneration governance framework

The Board, supported by the NRPCC, is responsible for the remuneration strategy, principles and procedures for employees of the Group.

The NRPCC operates under a formal charter to assist the Board in relation to its responsibilities in identifying, attracting and remunerating Directors, the Executive Chairman, the CEO and the CFO.

The NRPCC provides guidance to the Executive Chairman and the CEO in implementing decisions of the Board in relation to remuneration and strategic human resource planning.

An overview of the NRPCC responsibilities is set out below:

Role	Details
Recommendations to the Board	The Board takes recommendations from the NRPCC in setting the remuneration of Executive KMP. The NRPCC assesses and makes recommendations to the Board on any changes to the composition of the Board with a view to ensuring that it can operate effectively and efficiently and adequately discharge its responsibilities and duties. In formulating its recommendations, the NRPCC considers a range of factors including: • group financial performance • remuneration market data for KMP operating in similar listed organisations and industry sectors • remuneration components and weightings of fixed and variable remuneration • the performance levels and contribution of the individual KMP.

Role	Details
Advice and assistance to the Board	The NRPCC advises and assists the Board to ensure that the Group: • has coherent human resources policies and practices which enable the Group to attract and retain Directors and executives who will create value for shareholders and that support the Group's wider objectives and strategies • fairly and responsibly remunerates Directors and executives, having regard to the performance of the Group, the performance of executives and the market remuneration environment • has effective human resources policies and procedures to attract, motivate and retain appropriately skilled people to meet the Group's current and future needs.

Further details of the role of the NRPCC is provided in the FY2025 Corporate Governance Statement published on the Bega Cheese Limited website (www.begagroup.com.au/investors/corporate-governance/).

Executive KMP service agreements

The Executive Chairman, in relation to his executive duties, the CEO and the CFO have service agreements, the key terms of which were unchanged as follows:

Term	Ongoing, subject to termination rights set out in the service agreement.
Termination by Group	Six months' notice or payment in lieu of such minimum notice, or without notice where the termination is for cause.
Termination by Executive	Six months' notice or lesser period as agreed by the Group.
Payments on termination	Salary and statutory entitlements up to the date of termination and, if applicable, payment in lieu of the minimum notice period as per above.

Use of remuneration consultants

In accordance with its Charter, the NRPCC can engage with remuneration consultants. Ernst & Young was engaged during FY2025, rendering $102,900 in consulting fees for services which included Board fee and KMP remuneration benchmarking and associated documents. No remuneration recommendations as defined in section 9B of the *Corporations Act 2001* were obtained in FY2025.

Other matters

Related party transactions

During the year, some KMP and their related entities entered into related party transactions with the Group relating to the supply of milk and the sale of peanuts. These transactions were on the same normal commercial terms as other suppliers and are summarised in the table below:

	CONSOLIDATED	
	2025	**2024**
	$m	$m
Payments made by the Group during the year	3,637,208	3,243,144
Sales made by the Group during the year	452,165	401,766
Amounts payable at year end	189,581	236,792
Amounts receivable at year end	48,461	65,102

No executive KMP or their related parties held any loans with the Group during FY2025.

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Director minimum shareholding guidelines

From 1 July 2022, a minimum shareholding guideline for Directors was implemented by the Board. Under this guideline, Directors have three years to build a minimum shareholding equal to 100% of annual base fees, inclusive of superannuation. The three-year time frame commences from the latter of 1 July 2022, or the date of Director appointment (if a new Director). The shareholding guideline is met once a Director meets the guideline for the first time which must be maintained but will not be retested for fluctuations in the share price. Adherence to these guidelines will be tested by the Company's appointed valuations partner using a 12-month Volume-Weighted Average Price (VWAP) calculation as at 30 June of the financial year.

Shareholdings

The number of shares held by the Directors and KMP during the year including their close family members and entities related to them are as follows:

2025 – Numbers of ordinary shares	Balance at start of year	Shares purchased	STI/LTI shares awarded	Shares sold	Balance at the end of the year
Executive Chairman					
Barry Irvin	2,038,841	-	-	-	2,038,841
Executive KMP					
Peter Findlay	23,098	-	-	(23,098)	-
Gunther Burghardt	23,702	967	-	-	24,669
Non-executive Directors					
Rick Cross	152,566	-	-	(35,000)	117,566
Janette Kendall	-	5,500	-	-	5,500
Harper Kilpatrick	31,084	604	-	-	31,688
Patria Mann	50,400	396	-	-	50,796
Peter Margin	36,069	-	-	-	36,069
Raelene Murphy	22,288	220	-	-	22,508
Terry O'Brien	40,392	784	-	-	41,176

Movements in performance rights during FY2025

The below table outlines the movements in performance rights for KMP during FY2025. The lapsed awards referenced in the LTI vesting section of this report will be reflected in the FY2026 Annual Report. The ROFE performance hurdle for the second tranche of the FY2024-FY2026 LTI and the ROFE performance hurdle for the FY2023-FY2025 LTI tested at on 30 June 2025 were met and as a result will vest at the end of each three year plan period.

2025 – Number of rights	Rights held at 1 July 2024	Rights granted in FY2025	Rights exercised in FY2025	Rights lapsed in FY2025	Rights held at 30 June 2025	Rights vested and exercisable in FY2025
Executive KMP						
Barry Irvin	86,318	-	-	-	86,318	9,494
Peter Findlay	341,071	96,535	-	-	437,606	78,296
Gunther Burghardt	185,342	64,419	-	-	249,761	46,117

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Likely developments and expected results of operations

Other than as disclosed in the Chairman and Chief Executive Officer's Report and the Review of Financial Performance and Operations, information on likely developments has not been included because disclosure would likely result in unreasonable prejudice to the Group.

Rounding of amounts

The Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that instrument to the nearest one hundred thousand dollars, or in certain cases, to the nearest dollar.

Matters subsequent to the end of the financial year

On 9 July 2025, the Group, following a 12-month strategic review, announced that it will wind down and close its peanut processing business, Peanut Company of Australia Pty Ltd. This will lead to a phased shutdown of the facilities at Kingaroy and Tolga in Queensland over the next 18 months. Plant and equipment and leased assets of $2.2 million related to these sites have been impaired in FY2025. Shutdown costs, including redundancies, will be recognised in FY2026 with an estimated range of $5.0 to $8.0 million.

On 21 August 2025, the Directors declared a final fully franked dividend of 6.0 cents per share, which represents a distribution of $18.3 million.

No other matters or circumstances occurring subsequent to the end of the financial year have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future years.

Auditor

Details of the amounts paid or payable to PricewaterhouseCoopers (PwC) Australia for audit and non-audit services provided during the financial year are set out in note 31.

The Board of Directors have considered the position and in accordance with advice from the Audit Committee are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51.

This report is made in accordance with a resolution of the Directors.



Barry Irvin
Executive Chairman
Melbourne



Raelene Murphy
Independent Director
Melbourne

21 August 2025



Auditor's Independence Declaration

As lead auditor for the audit of Bega Cheese Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bega Cheese Limited and the entities it controlled during the period.



Sam Lobley
Partner
PricewaterhouseCoopers

Melbourne
21 August 2025

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Bega Group is committed to achieving and maintaining the highest standards of accountability and transparency in the management and conduct of its business.

The Board has adopted corporate governance policies and practices that it believes are consistent with the continued growth and success of the Group and the ongoing enhancement of value for the Bega Group shareholders.

The Corporate Governance Statement outlines the key aspects of the Group's corporate governance framework and is available on the Group's website at www.begagroup.com.au/investors/corporate-governance/.

The Board considers that the Group's corporate governance framework and practices have complied with the ASX Recommendations for the financial year, except as otherwise detailed in the Corporate Governance Statement.

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Index to Financial Statements

55 **Consolidated Statement of Comprehensive Income**

56 **Consolidated Balance Sheet**

57 **Consolidated Statement of Changes in Equity**

58 **Consolidated Statement of Cash Flows**

59 **HOW NUMBERS ARE CALCULATED**

59 **1. Significant events in the accounting period**
59 A. Manufacturing footprint rationalisation
59 B. Effective tax rate

59 **2. Segment information**
59 A. Description of segments
59 B. Segment information provided to the CODM
61 C. Other segment information

62 **3. Earnings per share**

62 **4. Dividends to shareholders**

63 **5. Revenue and other income**

64 **6. Expenses**

64 **7. Income tax**
64 A. Income tax expense
65 B. Numerical reconciliation of income tax expense to prima facie tax expense
65 C. Amounts recognised through other comprehensive income
66 D. Amounts recognised through equity
66 E. Movements in deferred tax
67 F. Income taxes paid

68 **8. Trade and other receivables**

68 **9. Other assets**

69 **10. Inventories**

69 **11. Property, plant and equipment**

70 **12. Leases**

71 **13. Intangible assets**

73 **14. Trade and other payables**

73 **15. Other liabilities**

73 **16. Borrowings**

74 **17. Provisions**

75 **18. Share capital**
75 A. Share capital
75 B. Movement in share capital value and number of shares

75 **19. Reserves**

76 **20. Notes to the Consolidated Statement of Cash Flows**
76 A. Reconciliation of cash and cash equivalents
76 B. Reconciliation of (loss) or profit for the period to net cash flows from operating activities

77 **RISK**

77 **21. Critical accounting estimates and judgements**

77 **22. Financial risk management**
77 A. Market risk
79 B. Credit risk
81 C. Liquidity risk
81 D. Financing arrangements
82 E. Maturities of financial liabilities
82 F. Fair value estimation

83 **23. Capital risk management**

84 **GROUP STRUCTURE**

84 **24. Parent entity financial information**
84 A. Summary financial information
84 B. Guarantees entered into by parent entity
84 C. Contingent liabilities of the parent entity
84 D. Contractual commitments for the acquisition of property, plant or equipment

85 **25. Subsidiaries, joint arrangements and associates**

86 **26. Closed group disclosure**

87 **UNRECOGNISED ITEMS**

87 **27. Contingent liabilities**

88 **28. Commitments**

88 **29. Subsequent events**
88 A. Dividend
88 B. Wind down and closure of peanut processing business

88 **FURTHER DETAILS**

89 **30. Related party transactions**
89 A. Terms and conditions of related party transactions
89 B. Related party transactions with group entities
89 C. Key management personnel (KMP) remuneration and transactions

89 **31. Remuneration of auditors**

90 **32. Share-based payments**

91 **33. Summary of material accounting policies**

100 **CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

100 **Consolidated Entity Disclosure Statement**

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Consolidated Statement of Comprehensive Income

	Notes	CONSOLIDATED 2025 $m	2024 $m
Revenue	5	3,539.0	3,521.6
Cost of sales		(2,808.8)	(2,823.1)
Gross profit		**730.2**	**698.5**
Other revenue	5	11.4	11.7
Other income	5	7.1	26.6
Distribution expense		(307.5)	(314.5)
Marketing expense		(116.0)	(108.0)
Occupancy expense		(45.0)	(45.9)
Administration expense		(203.6)	(189.8)
Impairment of assets	6	(47.5)	(2.7)
Finance costs	6	(35.8)	(36.1)
(Loss)/profit before income tax		**(6.7)**	**39.8**
Income tax expense	7a	(1.8)	(9.3)
(Loss)/profit for the period attributable to owners of Bega Cheese Limited		**(8.5)**	**30.5**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Cash flow hedges, net of tax		0.5	0.4
Exchange differences on translating foreign operations		0.4	-
Total other comprehensive income		**0.9**	**0.4**
Total comprehensive income for the period attributable to owners of Bega Cheese Limited		**(7.6)**	**30.9**
		2025 Cents	**2024** Cents
Earnings per share for profit attributable to ordinary equity holders of the parent:			
Basic earnings per share		**(2.8)**	**10.0**
Diluted earnings per share		**(2.8)**	**9.9**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Balance Sheet

	Notes	CONSOLIDATED 2025 $m	2024 $m
ASSETS			
Current assets			
Cash and cash equivalents	20	120.9	65.6
Trade and other receivables	8	196.8	350.9
Derivative financial instruments		2.6	1.2
Inventories	10	366.3	358.1
Current tax assets		1.9	-
Assets held for sale	11	12.1	17.3
Other assets	9	28.9	28.6
Total current assets		**729.5**	**821.7**
Non-current assets			
Property, plant and equipment	11	657.8	673.4
Right-of-use assets	12	148.5	150.8
Deferred tax assets	7e	28.3	16.3
Other assets	9	1.0	-
Intangible assets	13	472.4	476.6
Investments accounted for using the equity method	25	3.2	-
Total non-current assets		**1,311.2**	**1,317.1**
Total assets		**2,040.7**	**2,138.8**
LIABILITIES			
Current liabilities			
Trade and other payables	14	455.0	558.4
Other liabilities	15	13.7	16.2
Derivative financial instruments		0.2	0.3
Lease liabilities	12	19.1	23.9
Current tax liabilities		-	4.9
Provisions	17	127.4	103.8
Total current liabilities		**615.4**	**707.5**
Non-current liabilities			
Borrowings	16	246.0	226.7
Lease liabilities	12	174.5	168.3
Other liabilities	15	3.9	4.7
Provisions	17	20.7	16.8
Total non-current liabilities		**445.1**	**416.5**
Total liabilities		**1,060.5**	**1,124.0**
Net assets		**980.2**	**1,014.8**
EQUITY			
Share capital	18a	883.6	882.2
Reserves	19	29.4	26.4
Retained earnings		67.2	106.2
Capital and reserves attributable to owners of Bega Cheese Limited		**980.2**	**1,014.8**
Total equity		**980.2**	**1,014.8**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Consolidated	Notes	SHARE CAPITAL $m	RESERVES $m	RETAINED EARNINGS $m	TOTAL $m
Balance as at 1 July 2023		881.0	25.7	97.0	1,003.7
Profit for the period		-	-	30.5	30.5
Other comprehensive income for the period		-	0.4	-	0.4
Transactions with owners in their capacity as owners:					
- Issue of shares	18b	1.9	-	-	1.9
- Share-based payments relating to incentives		-	0.3	-	0.3
- Dividends provided for or paid	4	-	-	(21.3)	(21.3)
- Tax effect of prior period share issue transaction costs	7d	(0.7)	-	-	(0.7)
Balance as at 30 June 2024		**882.2**	**26.4**	**106.2**	**1,014.8**
Balance as at 1 July 2024		882.2	26.4	106.2	1,014.8
Loss for the period		-	-	(8.5)	(8.5)
Other comprehensive income for the period		-	0.9	-	0.9
Transactions with owners in their capacity as owners:					
- Issue of shares	18b	2.1	-	-	2.1
- Share-based payments relating to incentives		-	2.1	-	2.1
- Dividends provided for or paid	4	-	-	(30.5)	(30.5)
- Tax effect of prior period share issue transaction costs	7d	(0.7)	-	-	(0.7)
Balance as at 30 June 2025		**883.6**	**29.4**	**67.2**	**980.2**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

	Notes	CONSOLIDATED 2025 $m	2024 $m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers inclusive of goods and services tax		3,839.5	3,725.2
Payments to suppliers and employees inclusive of goods and services tax		(3,613.8)	(3,537.8)
Net (payments to)/proceeds from Trade Receivables Facility		(5.7)	7.2
Interest and other costs of financing paid		(35.8)	(36.1)
Interest received		2.0	1.6
Income taxes paid	7f	(21.2)	(25.8)
Net inflow from operating activities	20	**165.0**	**134.3**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(88.2)	(63.0)
Net proceeds from sale of property, plant and equipment		19.8	27.9
Net proceeds from sale of intangible assets		1.5	6.8
Payments for intangible assets		(6.2)	(11.6)
Payments for business combinations		-	(12.4)
Payments for investment in joint venture		(3.2)	-
Net outflow from investing activities		**(76.3)**	**(52.3)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		109.0	228.0
Repayment of borrowings		(90.0)	(270.0)
Principal elements of lease payments		(24.0)	(21.4)
Dividends paid to Bega Cheese Limited's shareholders	4	(28.4)	(19.4)
Net outflow from financing activities		**(33.4)**	**(82.8)**
Net increase/(decrease) in cash and cash equivalents		**55.3**	**(0.8)**
Cash and cash equivalents at the beginning of the year		65.6	66.4
Cash and cash equivalents at the end of the year	20	**120.9**	**65.6**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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How numbers are calculated

1. SIGNIFICANT EVENTS IN THE ACCOUNTING PERIOD

A. Manufacturing footprint rationalisation

On 26 August 2024, the Group announced that it had entered into a binding agreement to sell its Leeton juice extraction facility and related assets to Australian Juice Processing and Bottling Pty Ltd (Grove Juice), subject to conditions, for $11.4 million. Completion of the sale occurred in the second quarter of FY2025, with Grove Juice taking ownership of the facility and providing employment to Leeton staff. Grove Juice commenced processing fruit on behalf of the Group as part of a long-term agreement.

On 6 May 2025, the Group announced the consolidation of its Strathmerton cheese processing and packaging operations into its Ridge Street, Bega site. It expects to complete the phased closure of the Strathmerton site by late FY2026. The consolidation of sites is forecast to deliver cost savings from FY2027 onwards by eliminating duplication and reducing fixed costs once the integration is complete. Following the announcement, asset impairments in relation to the Strathmerton buildings, plant and equipment and inventory spares were recognised, along with redundancies for impacted Strathmerton employees and associated group roles.

On 9 July 2025, the Group, following a 12-month strategic review, announced that it will wind down and close its peanut processing business, Peanut Company of Australia Pty Ltd. This will lead to a phased shutdown of the facilities at Kingaroy and Tolga over the next 18 months.

In addition to the sale and exit of the Leeton site and announced closure of Strathmerton in FY2026, other manufacturing footprint rationalisation initiatives were undertaken across the Group, as well as a portfolio rationalisation program to reduce complexity and unlock efficiencies.

The combination of these events resulted in a negative impact to the Group's profit before tax of $83.7 million, including $47.2 million of impairment expense for owned and leased plant and equipment, and employee redundancies of $34.1 million.

B. Effective tax rate

The Group's effective company tax rate is calculated as income tax expense divided by profit before tax. Income tax expense captures taxes on profits and excludes other types of taxes for example GST, FBT, payroll tax and PAYG tax paid on behalf of employees. The effective company tax rate will differ from the statutory company tax rate of 30% due to non-temporary differences. The prima facie effective tax rate of the Group is -26.5%. This is the combined effect of non-deductible expenses, timing differences in the recognition of capital gains tax events, and the permanent benefit in respect of research and development tax incentives.

2. SEGMENT INFORMATION

A. Description of segments

The Group determines the reporting segments based on financial and other management reports reviewed by the Executive Chairman, Chief Executive Officer and Chief Financial Officer, in their capacity as the Chief Operating Decision Makers (CODM).

The Group has two reporting segments:

i. Branded – the manufacture of value-added consumer products for owned and externally owned brands.

ii. Bulk – the manufacture of bulk dairy ingredients, nutritional and bio nutrient products.

The CODM assesses the performance of the reporting segments based on a measure of EBITDA. In addition, the CODM takes into account significant current year events by segment so that normalised business performance is assessed.

Unallocated overheads relate to corporate and legal costs that cannot be reasonably classified into a segment.

Inter-segment eliminations represent elimination of sales and profit in stock arising from inter-segment sales at an arm's length transfer price.

B. Segment information provided to the CODM

The segment information provided to the CODM for the reportable segments for the year ended 30 June 2025 is as follows:

2. SEGMENT INFORMATION (CONT.)

	BRANDED $m	BULK $m	UNALLOCATED OVERHEADS $m	INTER-SEGMENT ELIMINATIONS $m	GROUP TOTAL $m
Year ended 30 June 2025					
Revenue	3,048.3	970.0	-	(479.3)	3,539.0
Cost of sales	(2,373.7)	(871.7)	-	477.8	(2,767.6)
Gross profit[1]	**674.6**	**98.3**	**-**	**(1.5)**	**771.4**
EBITDA	168.7	38.7	(40.7)	(1.2)	165.5
Depreciation, amortisation and impairment					(138.4)
EBIT					27.1
Interest income					2.0
Interest expense					(35.8)
Loss before income tax					**(6.7)**
Income tax expense					(1.8)
Loss for the year					**(8.5)**
Impact of current year events on loss before tax					
Manufacturing footprint rationalisation	(83.0)	(0.7)	-	-	(83.7)

[1] *Excluding manufacturing related depreciation, amortisation and impairment expense. Gross profit in the Consolidated Statement of Comprehensive Income includes these amounts.*

Prior period comparative segment information is as follows:

	BRANDED $m	BULK $m	UNALLOCATED OVERHEADS $m	INTER-SEGMENT ELIMINATIONS $m	GROUP TOTAL $m
Year ended 30 June 2024					
Revenue	3,039.3	876.8	-	(394.5)	3,521.6
Cost of sales	(2,343.5)	(834.9)	-	396.1	(2,782.4)
Gross profit	**695.8**	**41.9**	**-**	**1.6**	**739.2**
EBITDA	206.2	(18.2)	(25.4)	2.5	165.1
Depreciation, amortisation and impairment					(90.8)
EBIT					74.3
Interest income					1.6
Interest expense					(36.1)
Profit before income tax					**39.8**
Income tax expense					(9.3)
Profit for the year					**30.5**
Impact of prior year events on profit before tax					
Canberra sale	13.2	-	-	-	13.2
Restructuring	-	-	(5.3)	-	(5.3)
Betta Milk acquisition	(9.7)	-	-	-	(9.7)

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2. SEGMENT INFORMATION (CONT.)

C. Other segment information

Segment revenue

Sales between segments are carried out at arm's length and eliminated on consolidation. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the Consolidated Statement of Comprehensive Income.

Total sales by segment are as follows:

	CONSOLIDATED	
	2025 $m	2024 $m
Sales to external customers by segment		
Branded	3,048.3	3,039.3
Bulk	490.7	482.3
Total sales to external customers	**3,539.0**	**3,521.6**

Segment sales by destination are as follows:

	CONSOLIDATED	
	2025 $m	2024 $m
Sales to external customers in Australia		
Branded	2,790.1	2,782.0
Bulk	184.4	190.3
Total sales to external customers in Australia	2,974.5	2,972.3
Sales to external customers in other countries		
Branded	258.2	257.3
Bulk	306.3	292.0
Total sales to external customers in other countries	564.5	549.3
Total sales to external customers	**3,539.0**	**3,521.6**

Sales to external customers in other countries by destination are as follows:

	CONSOLIDATED	
	2025 $m	2024 $m
Sales to external customers in other countries		
Asia (including Middle East)	516.6	502.0
Africa	15.4	14.0
Oceania	15.0	17.6
Europe	13.6	11.0
Americas	3.9	4.7
Total sales to external customers in other countries	**564.5**	**549.3**

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3. EARNINGS PER SHARE

	CONSOLIDATED	
	2025 Cents	2024 Cents
Earnings per share for (loss)/profit from continuing operations attributable to ordinary equity holders of the parent:		
Basic earnings per share	(2.8)	10.0
Diluted earnings per share	(2.8)	9.9
	2025 Number	**2024** Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	304,967,613	304,518,598
Adjustments for calculation of diluted earnings per share:		
Contingent employee incentives	2,251,339	1,730,448
Shares used as the denominator in calculating diluted earnings per share	307,218,952	306,249,046
	2025 $m	**2024** $m
(Loss)/profit attributable to the ordinary equity holders of the Group used in calculating earnings per share	(8.5)	30.5

4. DIVIDENDS TO SHAREHOLDERS

	CONSOLIDATED	
	FULL YEAR 2025 $m	FULL YEAR 2024 $m
Recognised amounts:		
2025 Interim dividend of 6.00 cents	18.3	-
2024 Final dividend of 4.00 cents	12.2	-
2024 Interim dividend of 4.00 cents	-	12.2
2023 Final dividend of 3.00 cents	-	9.1
Total dividend	**30.5**	**21.3**
Issue of shares under the DRP	(2.1)	(1.9)
Net cash outflow	**28.4**	**19.4**
Unrecognised amount:		
2025 Final dividend of 6.00 cents	18.3	-
2024 Final dividend of 4.00 cents	-	12.2

The dividends paid in 2025 and 2024 were fully franked. The 2025 final dividend will be fully franked.

	CONSOLIDATED	
	2025 $m	2024 $m
Value of the dividend franking account	121.6	113.5

The value of the dividend franking account represents the balance of the franking account as at the end of the year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax.

5. REVENUE AND OTHER INCOME

	CONSOLIDATED	
	2025 $m	2024 $m
Sale of goods	3,494.0	3,468.7
Services	45.0	52.9
Total revenue	**3,539.0**	**3,521.6**
Other revenue		
Royalties	11.1	11.6
Other	0.3	0.1
Total other revenue	**11.4**	**11.7**
Other income		
Gain on sale and leaseback	-	15.4
Interest income	2.0	1.6
Gain on sale of property, plant and equipment	2.2	1.3
Insurance proceeds	-	3.6
Other	2.9	4.7
Total other income	**7.1**	**26.6**

The Group recognises the majority of its revenue from contracts with customers for the transfer of goods at a point in time. Refer to note 33e for further explanation of the Group's revenue recognition policy.

Revenues of approximately $1.2 billion (2024: $1.2 billion) are concentrated in a small number of external customers. These revenues are attributed to the Branded and Bulk segments.

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6. EXPENSES

Profit or loss before income tax includes the following specific expenses:

	Notes	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m
Increase/(decrease) in inventory provisions		0.2	(13.6)
Trade Receivables Facility costs		2.5	7.0
Depreciation and amortisation:			
- Depreciation of property, plant and equipment	11	50.5	49.7
- Depreciation of right-of-use assets	12	24.6	24.4
- Amortisation of intangible assets	13	15.8	14.0
Total depreciation and amortisation		**90.9**	**88.1**
Impairment:			
- Impairment of property, plant and equipment	11	40.2	2.7
- Impairment of right-of-use assets	12	2.0	-
- Impairment of intangible assets	13	1.1	-
- Impairment of inventory maintenance spares		4.2	-
Total asset impairment		**47.5**	**2.7**
Employee benefit expense:			
- Restructuring expense		36.9	6.7
- Defined contribution superannuation expense		44.6	42.4
- Other employee benefits expense		493.0	474.5
Total employee benefit expense		**574.5**	**523.6**
Finance costs:			
- Interest on bank loans		20.3	20.5
- Lease liability interest	12	12.1	12.2
- Other finance costs		3.4	3.4
Total finance costs		**35.8**	**36.1**

7. INCOME TAX

The major components of income tax expense in the Consolidated Statement of Comprehensive Income are set out below:

	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m
A. INCOME TAX EXPENSE		
Current tax expense	(17.2)	(14.4)
Deferred tax benefit from the origination and reversal of temporary differences	12.2	8.7
Adjustments recognised in the current year in relation to tax of prior years	3.2	(3.6)
Total income tax expense	**(1.8)**	**(9.3)**

Judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain as at the end of the financial year. The Group estimates its tax liabilities based on its understanding of the tax law. Where the final tax outcome of these matters is different from the amounts recorded, such differences will impact the amount of current or deferred income tax liabilities in the period such determination is made.

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7. INCOME TAX (CONT.)

	CONSOLIDATED	
	2025 $m	2024 $m
B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX EXPENSE		
(Loss)/profit from continuing operations before income tax	(6.7)	39.8
Tax benefit/(expense) at the Australian tax rate of 30% (2024: 30%)	2.0	(11.9)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	0.1	1.0
Non-deductible expenses	(2.6)	(1.7)
Other assessable income	(3.0)	(0.7)
	(5.5)	(1.4)
Tax incentives	0.7	0.7
Adjustments in respect of prior year	3.2	(3.6)
Tax consolidation adjustments[1]	-	5.1
Previously unrecognised capital losses used / deferred tax movements now recognised	(2.2)	1.8
Total income tax expense	**(1.8)**	**(9.3)**

[1] *Reflects the reset of the tax cost base of revenue assets and capital assets associated with the formation of the income tax consolidated group.*

Tax consolidation

Bega Cheese Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing and funding agreement which operates to manage joint and several liability for group tax liabilities amongst group members, as well as enabling group members to leave the group clear of future group tax liabilities. The agreement also provides that each member of the tax consolidated group pay a tax equivalent amount to or from the parent in accordance with their notional current tax liability or current tax asset. Such amounts are reflected in amounts receivable from or payable to Bega Cheese Limited in the financial statements of subsidiaries and are settled as soon as practicable after lodgement of the consolidated tax return and payment of the tax liability.

Key estimate: Tax cost base of revenue and capital assets

Upon formation of the income tax consolidated group, the tax cost base of revenue and capital assets were required to be reset under Australian taxation legislation which is calculated in part by reference to independent market valuations. In performing these valuations, certain judgements and assumptions are made such as future earnings and discount rates.

The tax cost base of revenue and capital assets was reset on 1 July 2022 giving rise to a $19.6 million net debit to income tax expense with corresponding changes to current and deferred tax balances as reflected in FY2023. Following finalisation of independent valuations, the tax resetting process was finalised in FY2024 resulting in a $5.1 million net credit to income tax expense. The judgements and assumptions adopted in the independent market valuations are subject to review by tax authorities, and any change could impact income tax expense and deferred tax balances recognised in the year ended 30 June 2025.

	CONSOLIDATED	
	2025 $m	2024 $m
C. AMOUNTS RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but through other comprehensive income in respect of:		
Movement in hedging reserve	0.5	(0.3)
Total amount recognised through other comprehensive income	**0.5**	**(0.3)**

7. INCOME TAX (CONT.)

	CONSOLIDATED	
	2025 $m	2024 $m
D. AMOUNTS RECOGNISED THROUGH EQUITY		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but through equity in respect of:		
Share issue costs – net of adjustment in respect of prior year	(0.7)	(0.7)
Total amount recognised through equity	**(0.7)**	**(0.7)**

E. MOVEMENTS IN DEFERRED TAX

Movements in deferred tax in the year are detailed below:

Consolidated	OPENING BALANCE $m	CHARGED TO INCOME $m	CHARGED TO EQUITY $m	CLOSING BALANCE $m
Year ended 30 June 2025				
Deferred tax assets				
Doubtful debts	1.5	(0.6)	-	0.9
Sundry accrued expenses	5.1	1.8	-	6.9
Black hole expenditure	0.6	(0.3)	-	0.3
Employee provisions	34.4	(0.4)	-	34.0
Other provisions	6.3	8.1	-	14.4
Leased assets	14.0	0.9	-	14.9
Property, plant and equipment	17.9	1.8	-	19.7
Fair value of derivatives	(0.2)	-	0.5	0.3
Share issue costs	0.7	-	(0.7)	-
Other	0.1	-	-	0.1
Total deferred tax assets	80.4	11.3	(0.2)	91.5
Deferred tax (liabilities)				
Brand names	(53.5)	(0.2)	-	(53.7)
Software	(6.7)	0.3	-	(6.4)
Inventories	(0.9)	0.8	-	(0.1)
Other	(3.0)	-	-	(3.0)
Total deferred tax (liabilities)	(64.1)	0.9	-	(63.2)
Total deferred tax	**16.3**	**12.2**	**(0.2)**	**28.3**

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7. INCOME TAX (CONT.)

E. MOVEMENTS IN DEFERRED TAX (CONT.)

Consolidated	OPENING BALANCE $m	ACQUISITION $m	CHARGED TO INCOME $m	CHARGED TO EQUITY $m	CLOSING BALANCE $m
Year ended 30 June 2024					
Deferred tax assets					
Doubtful debts	1.2	-	0.3	-	1.5
Sundry accrued expenses	2.6	-	2.5	-	5.1
Black hole expenditure	0.8	-	(0.2)	-	0.6
Employee provisions	33.2	0.1	1.1	-	34.4
Other provisions	11.8	0.6	(6.1)	-	6.3
Leased assets	11.2	0.1	2.7	-	14.0
Property, plant and equipment	2.9	-	15.0	-	17.9
Share issue costs	1.4	-	-	(0.7)	0.7
Other	0.3	-	(0.2)	-	0.1
Total deferred tax assets	65.4	0.8	15.1	(0.7)	80.6
Deferred tax (liabilities)					
Brand names	(53.9)	-	0.4	-	(53.5)
Software	(7.0)	-	0.3	-	(6.7)
Inventories	5.6	-	(6.5)	-	(0.9)
Fair value of derivatives	0.1	-	-	(0.3)	(0.2)
Other	(2.4)	-	(0.6)	-	(3.0)
Total deferred tax (liabilities)	(57.6)	-	(6.4)	(0.3)	(64.3)
Total deferred tax	**7.8**	**0.8**	**8.7**	**(1.0)**	**16.3**

	CONSOLIDATED	
	2025 $m	**2024** $m
Deferred tax assets	28.3	16.3
Net deferred tax assets	**28.3**	**16.3**

Unused tax losses for which no deferred tax asset has been recognised as at 30 June 2025 are $30.1 million (2024: $30.1 million), the potential tax benefit of this at 30% is $9.0 million (2024: $9.0 million). Unused capital losses for which no deferred tax asset has been recognised as at 30 June 2025 are $6.2 million (2024: $6.2 million), the potential tax benefit of this at 30% is $1.9 million (2024: $1.9 million).

	CONSOLIDATED	
	2025 $m	**2024** $m
F. INCOME TAXES PAID		
Income taxes paid is included in the Consolidated Statement of Cash Flows as follows:		
Income taxes paid included in operating activities	(21.2)	(25.8)
Total income taxes paid	**(21.2)**	**(25.8)**

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8. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2025 $m	2024 $m
Current assets		
Trade receivables	172.5	320.0
Allowance for impairment of receivables	(3.6)	(5.5)
Net trade receivables	168.9	314.5
Goods and services tax (GST) receivable	16.5	18.5
Accrued revenue	1.8	1.1
Amounts receivable under Trade Receivables Facility	8.8	13.2
Other debtors	0.8	3.6
Total trade and other receivables	**196.8**	**350.9**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 33.

Accrued revenue primarily relates to receivables from customers under product supply contracts whereby the revenue has yet to be invoiced.

The Group utilises a trade finance facility ('Trade Receivables Facility') with the Coöperatieve Rabobank U.A. (Australia Branch) (Rabobank) whereby it may purchase receivables from the Group at a discount. This facility is utilised by the Group as a primary source of working capital. Most eligible receivables sold to Rabobank are insured by the Group with the Group retaining a continuing involvement asset of up to 10%, representing its maximum exposure under the facility. The value of receivables sold by the Group into this facility excluding its continuing involvement asset, are derecognised as an asset as the contractual rights to cashflows from these receivables have expired on acceptance of the sale to Rabobank. At 30 June 2025, the Trade Receivables Facility is a $250.0 million facility with $100.0 million on a fully committed basis with a maturity date of 31 August 2025. In August 2025, the Group extended its Trade Receivables Facility with a facility limit of $250.0 million on an uncommitted basis. The funded value of the Group's Trade Receivables Facility was $195.0 million as at 30 June 2025 (2024: $200.7 million).

9. OTHER ASSETS

	CONSOLIDATED	
	2025 $m	2024 $m
Current assets		
Prepayments	11.5	11.6
Trade Receivables Facility continuing involvement asset	12.7	14.8
Other assets	4.7	2.2
Total current other assets	28.9	28.6
Non-current assets		
Other assets	1.0	-
Total non-current other assets	1.0	-
Total other assets	**29.9**	**28.6**

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10. INVENTORIES

	CONSOLIDATED	
	2025 $m	2024 $m
Raw materials and work in progress	158.4	150.7
Finished goods	185.9	186.2
Maintenance spares	53.8	52.8
Provisions	(31.8)	(31.6)
Carrying amount of inventories at the lower of cost or net realisable value	**366.3**	**358.1**

The write-down of inventories to net realisable value (NRV) requires judgement in assessing future commodity prices, other market conditions, product shelf life and provisions for quality. From time to time certain inventories are sold below cost, for example, when global commodity prices are lower than the cost of production in the Bulk segment. In these situations, the NRV expense incurred from writing down the value of inventories is recognised in cost of sales in the Consolidated Statement of Comprehensive Income.

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2025 $m	2024 $m
Land and buildings		
At cost	409.9	416.9
Accumulated depreciation and impairment	(113.5)	(90.4)
Total land and buildings	296.4	326.5
Plant and equipment		
At cost	965.9	918.9
Accumulated depreciation and impairment	(678.4)	(612.5)
Total plant and equipment	287.5	306.4
Construction in progress	73.9	40.5
Total property, plant and equipment	**657.8**	**673.4**

The movements in property, plant and equipment are:

Consolidated	Notes	CONSTRUCTION IN PROGRESS $m	LAND AND BUILDINGS $m	PLANT AND EQUIPMENT $m	TOTAL $m
Year ended 30 June 2025					
Balance at the beginning of the financial year		40.5	326.5	306.4	673.4
Capital expenditure		93.6	-	-	93.6
Disposals		-	-	(0.5)	(0.5)
Depreciation	6	-	(10.3)	(40.2)	(50.5)
Impairment	6	(1.1)	(10.0)	(29.1)	(40.2)
Assets classified as held for sale		-	(11.3)	-	(11.3)
Transfers		(59.1)	1.5	50.9	(6.7)
Balance at the end of the financial year		**73.9**	**296.4**	**287.5**	**657.8**
Year ended 30 June 2024					
Balance at the beginning of the financial year		46.3	351.0	289.9	687.2
Acquisitions from business combinations		-	-	3.4	3.4
Capital expenditure		65.4	-	-	65.4
Disposals		-	(7.0)	(0.5)	(7.5)
Depreciation	6	-	(11.2)	(38.5)	(49.7)
Impairment	6	-	-	(2.7)	(2.7)
Assets classified as held for sale		-	(13.6)	(3.4)	(17.0)
Transfers		(71.2)	7.3	58.2	(5.7)
Balance at the end of the financial year		**40.5**	**326.5**	**306.4**	**673.4**

11. PROPERTY, PLANT AND EQUIPMENT (CONT.)

Assets held for sale

	CONSOLIDATED	
	2025 $m	2024 $m
Assets held for sale		
Land and buildings	12.1	13.9
Plant and equipment	-	3.4
Total assets held for sale	**12.1**	**17.3**

Assets held for sale relate to a surplus warehouse in Frenchs Forest (New South Wales) and other various unutilised properties across the Group's property portfolio which are expected to be sold in the next 12 months.

12. LEASES

The Consolidated Balance Sheet shows the following amounts relating to leases:

	CONSOLIDATED	
	2025 $m	2024 $m
Right-of-use assets		
Properties	132.6	133.0
Equipment	11.2	12.4
Motor vehicles	4.7	5.4
Total right-of-use assets	**148.5**	**150.8**

Additions and remeasurements to the right-of-use assets during the 2025 financial year were $28.8 million (2024: $14.3 million).

	CONSOLIDATED	
	2025 $m	2024 $m
Lease liabilities		
Current	19.1	23.9
Non-current	174.5	168.3
Total lease liabilities	**193.6**	**192.2**

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

		CONSOLIDATED	
	Notes	2025 $m	2024 $m
Depreciation charge of right-of-use assets	6	24.6	24.4
Impairment of right-of-use assets	6	2.0	-
Interest expense (included in finance costs)	6	12.1	12.2

The total cash outflow for leases in 2025 was $36.1 million (2024: $33.6 million).

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13. INTANGIBLE ASSETS

	CONSOLIDATED	
	2025 $m	2024 $m
Brands	176.5	177.6
Water rights	4.1	4.3
Software	51.4	54.3
Goodwill	239.6	239.6
Other	0.8	0.8
Total intangible assets	**472.4**	**476.6**

Consolidated	Notes	BRANDS $m	SOFTWARE $m	WATER RIGHTS $m	GOODWILL $m	OTHER $m	TOTAL $m
Year ended 30 June 2025							
Balance at the beginning of the financial year		177.6	54.3	4.3	239.6	0.8	476.6
Additions		-	6.2	-	-	-	6.2
Disposals		-	-	(0.2)	-	-	(0.2)
Amortisation	6	-	(15.8)	-	-	-	(15.8)
Impairment	6	(1.1)	-	-	-	-	(1.1)
Transfers		-	6.7	-	-	-	6.7
Balance at the end of the financial year		**176.5**	**51.4**	**4.1**	**239.6**	**0.8**	**472.4**
Year ended 30 June 2024							
Balance at the beginning of the financial year		177.6	50.9	5.6	229.5	0.9	464.5
Acquisitions through business combinations		-	-	-	10.1	-	10.1
Additions		-	11.6	-	-	-	11.6
Disposals		-	-	(1.3)	-	-	(1.3)
Amortisation	6	-	(13.9)	-	-	(0.1)	(14.0)
Transfers		-	5.7	-	-	-	5.7
Balance at the end of the financial year		**177.6**	**54.3**	**4.3**	**239.6**	**0.8**	**476.6**

Brands and other identifiable intangible assets

Brands and other identifiable intangible assets purchased by the Group are initially recognised at cost, or at their fair value if acquired as part of a business combination.

These identifiable intangible assets are subsequently measured:

- if they have a finite life, at cost less amortisation, and
- if they have an indefinite life, at cost less accumulated impairment losses.

Finite life brands or other identifiable intangible assets are amortised on a straight-line basis over the shorter of their contractual or useful economic life, being 3 to 25 years. They are also tested for impairment when an indicator of impairment may exist.

Indefinite life identifiable intangible assets are not amortised but are instead tested for impairment annually, or more frequently if there is an indicator of impairment. Brands or other identifiable intangible assets are determined to have an indefinite life where there is an intention to maintain and support the brand or other intangible asset for an indefinite period.

Water rights

Water rights are indefinite life identifiable intangible assets and were acquired as part of the acquisition of the Strathmerton and Peanut Company of Australia (PCA) facilities. Water rights are attributable to the Branded segment. Impairment was tested by reference to third party market valuations based on recent transactions and related data.

Software

Software as a service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the Group assesses if the contract will provide a resource that it can control to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

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13. INTANGIBLE ASSETS (CONT.)

Costs incurred to obtain access to the cloud provider's application software are generally recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances, modifies or creates additional capability to existing for on-premise are capitalised if it meets the recognition criteria for an intangible asset.

Certain internal and external costs directly incurred in acquiring and developing software are capitalised if it they meet the recognition criteria of an intangible asset and are amortised on a straight-line basis over their estimated useful lives, being three to ten years. Capitalised costs are tested for impairment when an indicator of impairment exists.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to that entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units (CGU) that are expected to benefit from the business combination in which the goodwill arose.

Cash generating units

The Group's CGUs are the Bulk CGU and the Branded CGU.

The Bulk CGU is equivalent to the Bulk operating segment. It is comprised of the assets of the Tatura, Lagoon St (Bega), and Koroit manufacturing sites. The cash inflows of the Bulk CGU are driven by available milk volumes, which are utilised across all manufacturing sites in the CGU and can be diverted to the site that can produce the highest return on that milk. The CGU does not hold any indefinite life intangible assets. An impairment test of the CGU's assets was not required to be performed as it was assessed that no indicators of impairment were present.

The Branded CGU is equivalent to the Branded operating segment. It is comprised of the Lion Dairy and Drinks business, acquired in January 2021 and renamed Bega Dairy and Drinks, the Mondelēz Grocery Business, acquired in July 2017 and renamed Bega Foods, the Betta Milk asset acquisition in December 2023, and assets of the Group's third party contract manufacturing sites. It includes goodwill of $239.6 million, and capitalised brands of $176.5 million. The core business of the Branded CGU is the manufacture, marketing, sale and distribution of branded white milk, milk-based beverages, yoghurt, chilled juices, spreads and other culinary products to domestic and international customers.

Branded impairment assessment

The Branded CGU is subject to annual impairment testing as it holds indefinite life intangible assets. Impairment testing requires a high degree of judgement in assessing whether the carrying value of assets is supported by their recoverable amount. The recoverable amount of the Branded CGU has been determined using the 'value in use' approach.

In calculating the recoverable amount of the Branded CGU a discounted cash flow model was utilised forecasting cash flows for the period FY2026 to FY2030. A number of assumptions were made in respect of matters which are not certain, including the following key assumptions:

- a long-term nominal growth rate of 2.0% beyond the forecast period
- with advice from independent experts, applied a post-tax discount rate of 7.8%
- improvements in sales mix and volume and price increases are forecast in FY2026 and are expected to largely offset the increase in costs of production inputs. The cash flow model assumes an EBITDA increase by a CAGR of 3.1% between FY2026 - FY2030, which includes the impact of assumed sales volume and price increases and the impact of Bega's recently announced farm gate milk prices and other key production inputs.

Based on sensitivity analysis, a reasonably possible change in any single assumption would not result in the recoverable amount of the Branded CGU being lower than its carrying value as at 30 June 2025.

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14. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2025 $m	2024 $m
Current liabilities		
Trade payables	297.3	295.1
Accrued charges and sundry creditors	157.7	158.3
Amounts payable under Trade Receivables Facility	-	105.0
Total trade and other payables	**455.0**	**558.4**

The average credit period on purchases is between 30 and 60 days, except for utilities and certain professional fees. No material amounts of interest are charged on late payments and the amounts are unsecured.

Judgement is used in assessing trade payables due to suppliers under product supply contracts that require a periodic reconciliation to specific terms of those contracts. From time to time there may be differences of opinion between the Group and the supplier as to the amount payable under the contracts. Such differences are usually resolved amicably between the parties having regard to the relevant contract. Where such differences are unresolved at reporting dates the Group seeks additional information and professional advice in the context of the relevant contract in forming a view as to the amount to be accrued for at the reporting date.

15. OTHER LIABILITIES

	CONSOLIDATED	
	2025 $m	2024 $m
Current liabilities		
Deferred income	0.2	0.6
Trade Receivables Facility continuing involvement liability	12.7	14.8
Other financial liabilities	0.8	0.8
Total current other liabilities	13.7	16.2
Non-current liabilities		
Other financial liabilities	3.9	4.7
Total non-current other liabilities	3.9	4.7
Total other liabilities	**17.6**	**20.9**

16. BORROWINGS

	CONSOLIDATED	
	2025 $m	2024 $m
Non-current - at amortised cost		
Secured term loans	247.0	228.0
Borrowing costs	(1.0)	(1.3)
Total non-current borrowings	246.0	226.7
Total borrowings	**246.0**	**226.7**

For further details on borrowings and facilities, see note 22d.

17. PROVISIONS

	CONSOLIDATED	
	2025 $m	2024 $m
Current liabilities		
Employee benefits	90.3	93.6
Restructuring provision	33.1	6.7
Restoration provision	1.6	0.6
Other provisions	2.4	2.9
Total current provisions	127.4	103.8
Non-current liabilities		
Employee benefits	10.2	5.9
Restoration provision	10.5	10.9
Total non-current provisions	20.7	16.8
Total provisions	**148.1**	**120.6**

Consolidated	RESTRUCTURING PROVISION $m	RESTORATION PROVISION $m	OTHER PROVISIONS $m	TOTAL $m
Year ended 30 June 2025				
Balance at the beginning of the financial year	6.7	11.5	2.9	21.1
Charged to profit or loss	36.9	0.4	-	37.3
Charged to balance sheet	-	0.5	0.1	0.6
Amounts used during the year	(10.5)	(0.3)	(0.6)	(11.4)
Balance at the end of the financial year	**33.1**	**12.1**	**2.4**	**47.6**
Year ended 30 June 2024				
Balance at the beginning of the financial year	19.5	11.1	4.1	34.7
Acquisitions through business combinations	-	0.1	2.0	2.1
Charged to profit or loss	6.7	0.3	-	7.0
Charged to balance sheet	-	0.2	-	0.2
Amounts used during the year	(19.5)	(0.2)	(3.2)	(22.9)
Balance at the end of the financial year	**6.7**	**11.5**	**2.9**	**21.1**

The current provision for employee benefits includes accrued annual leave, vesting sick leave and long service leave. Long service leave covers all unconditional entitlements where employees have completed the required period of service. The amount of the provision presented as current of $90.3 million (2024: $93.6 million) is due to the Group not having an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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18. SHARE CAPITAL

A. Share capital

	CONSOLIDATED	
	2025 $m	2024 $m
Share capital - ordinary shares fully paid	**883.6**	**882.2**

B. Movement in share capital value and number of shares

	ORDINARY SHARES NUMBER '000	ORDINARY SHARES $m
Ordinary shares on issue at 1 July 2023	304,248	881.0
Shares issued under Dividend Reinvestment Plan	528	1.9
Tax effect of prior period share issue transaction costs	-	(0.7)
Ordinary shares on issue at 30 June 2024	304,776	882.2
Ordinary shares on issue at 1 July 2024	304,776	882.2
Shares issued under Dividend Reinvestment Plan	408	2.1
Tax effect of prior period share issue transaction costs	-	(0.7)
Ordinary shares on issue at 30 June 2025	305,184	883.6

Ordinary shares entitle the holder to participate in dividends and share in the proceeds of winding up the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person, or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital. There are no different rights, preferences or restrictions among the class of ordinary shares.

19. RESERVES

	CONSOLIDATED	
	2025 $m	2024 $m
Share-based payment reserve	6.9	4.8
Capital profits reserve	34.0	34.0
Hedging reserve	0.6	0.1
Foreign currency translation reserve	0.5	0.1
Transactions with non-controlling interests reserve	(12.6)	(12.6)
Total reserves	**29.4**	**26.4**

The share-based payment reserve is used to recognise the fair value of shares and performance rights issued to employees by the Company.

The capital profits reserve is as a result of historical capital transactions.

The hedging reserve is used to record gains or losses on hedging instruments (cash flow hedges) that are recognised directly in equity, as described in note 33.

The foreign currency translation reserve is used to convert the results of the parent company's foreign subsidiaries to its reporting currency.

The transactions with non-controlling interests reserve records the difference arising as a result of the acquisition of the non-controlling interest in Tatura Milk Industries Pty Ltd.

20. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	CONSOLIDATED	
	2025 $m	2024 $m
A. RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	120.9	65.6
Balance per statement of cash flow	**120.9**	**65.6**
B. RECONCILIATION OF (LOSS) OR PROFIT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit after income tax	(8.5)	30.5
Adjustments for non-cash, investing and financing items:		
Depreciation of non-current assets	75.1	74.1
Amortisation of intangible assets	15.8	14.0
Profit on sale of non-current assets	(3.5)	(22.3)
Impairment of tangible assets	40.2	2.7
Impairment of intangible assets	1.1	-
Impairment of right-of-use assets	2.0	-
Impairment of inventory spares	4.2	-
Fair value adjustment to derivatives	(0.8)	(0.9)
Non-cash employee expense - share-based payments	2.1	0.3
Net exchange gain on translation of foreign subsidiaries	0.4	-
Changes in operating assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other debtors and GST recoverable	153.7	(44.1)
Inventories	(12.4)	70.6
Prepayments	0.1	0.1
Current and deferred tax assets	(13.9)	(8.5)
Increase/(decrease) in liabilities:		
Trade and other payables	(113.2)	42.1
Provision for income taxes payable excluding taxation on investments	(4.9)	(8.1)
Changes in provisions	27.5	(16.2)
Net cash flow from operating activities	**165.0**	**134.3**

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Risk

21. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

In particular, information about significant areas of estimation, uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 7 - income tax, note 8 - trade and other receivables, note 10 - inventories, and note 13 - intangible assets.

22. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risks (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, not for trading or other speculative purposes. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risk, and ageing analysis for credit risk.

Financial management is carried out by the treasury function within the finance department under policies approved by the Board of Directors and overseen by the Audit Committee. Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units, by applying principles provided by the Board that has overall responsibility for risk management. The Board also approves policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and commodity price risk, use of financial instruments, and investment of excess liquidity.

A. Market risk

The Group's activities expose it primarily to market risks in relation to movements in foreign currency rates, interest rates and commodity prices. The Group enters into a variety of derivative financial instruments to manage exposures which include forward foreign currency contracts to hedge exchange rate risks from the sale of exported goods and purchase of imported goods.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group exports dairy products and is exposed to foreign exchange risk, primarily movements in exchange rates of US dollar and Japanese Yen. The Group also makes purchases including capital equipment, ingredients and packaging that exposes it to movements in exchange rates of US dollar and Euro. The risk is measured using sensitivity analysis and cash flow forecasting. Forward contracts and options are currently used to manage these risks.

The Group's risk management policy is to match known and highly probable future cash flows in foreign currencies, for cash flow and fair value hedge accounting purposes, with forward exchange contracts in the same currency and with closely corresponding settlement dates. 30-80% of its estimated foreign currency exposures in respect of forecast sales over the subsequent 12 months are hedged. All material foreign currency purchases are hedged on execution of contracts.

Commodity price risk

Commodity price risk in the Group primarily arises from price fluctuations and the availability of raw materials and other manufacturing inputs (e.g. crude oil, sugar). The Group may enter into derivative transactions to limit these risks. Hedging activities are evaluated regularly to align with Group expectations about the price changes and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

It is the policy of the Group that it may enter into commodity forward contracts hedges to manage the commodity price risk associated with anticipated purchase transactions out to 12 months. In the current year, the Group has designated certain commodity forward contracts as a cash flow hedge of highly probable purchases.

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22. FINANCIAL RISK MANAGEMENT (CONT.)

The Group's exposure to foreign exchange risk at the end of the reporting period is expressed as follows:

Consolidated	CONTRACT AMOUNT $m	CONTRACT AMOUNT IN FOREIGN CURRENCY m	WEIGHTED AVERAGE FORWARD RATE	MARKET VALUE ASSETS $m	MARKET VALUE LIABILITIES $m
Year ended 30 June 2025					
Cash flow hedges					
US Dollar	28.7	18.0	0.6282	1.2	-
Japanese Yen	2.8	259.0	92.2496	-	-
Options					
US Dollar	23.4	13.1	0.6270	1.1	-

Consolidated	CONTRACT AMOUNT $m	UNIT – LTR m	USD PER LTR $	MARKET VALUE ASSETS $m	MARKET VALUE LIABILITIES $m
Commodity hedges					
US Dollar	-	12.6	0.5	0.3	(0.2)

Consolidated	CONTRACT AMOUNT $m	CONTRACT AMOUNT IN FOREIGN CURRENCY m	WEIGHTED AVERAGE FORWARD RATE	MARKET VALUE ASSETS $m	MARKET VALUE LIABILITIES $m
Year ended 30 June 2024					
Cash flow hedges					
US Dollar	27.3	18.0	0.6592	0.4	-
Euro	4.2	2.5	0.5979	-	(0.2)
Japanese Yen	2.9	287.7	99.8675	0.2	-
Held for trading					
US Dollar	23.1	15.4	0.6662	-	(0.1)

Consolidated	CONTRACT AMOUNT $m	UNIT – LTR m	USD PER LTR $	MARKET VALUE ASSETS $m	MARKET VALUE LIABILITIES $m
Commodity hedges					
US Dollar	-	10.6	0.7	0.6	-

Group sensitivity

The Group sensitivity for cash flow exposures is based on the financial instruments held on 30 June 2025, had the Australian dollar strengthened or weakened by 10% against the US dollar with all other variables held constant. The analysis is performed on the same basis for 2024 and has no material impact on profit after tax due to the Group aiming to fully hedge its foreign currency exposures and the accounting treatment of the instruments held. The sensitivity on the Group's hedging instruments is detailed in the following table:

	CONSOLIDATED	
	2025 $m	2024 $m
Equity		
AUD$ strengthens 10% – increase	4.7	2.0
AUD$ weakens 10% – decrease	(1.5)	(2.0)

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22. FINANCIAL RISK MANAGEMENT (CONT.)

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group regularly monitors and reviews the appropriateness to use interest rate swaps to manage interest rate risk. There were no interest rate swaps in place at 30 June 2024 or 2025. All borrowings were denominated in Australian dollars during 2024 and 2025.

As at the reporting date, the Group had the following interest bearing borrowings and assets outstanding:

	CONSOLIDATED	
	2025 $m	2024 $m
Fixed rate instruments		
Liabilities		
Lease liabilities	(193.6)	(192.2)
Variable rate instruments		
Assets		
Cash and cash equivalents	120.9	65.6
Liabilities		
Bank loans	(247.0)	(228.0)
Net exposure to interest rate risk on variable rate instruments	**(126.1)**	**(162.4)**

An analysis by maturities is provided in note 22e.

Interest rate sensitivity

At 30 June 2025, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, the Group's post-tax loss for the year would have been $2.7 million higher/(lower) (2024: $2.7 million higher/(lower)).

B. Credit risk

Credit risk is managed on an entity basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "AA" are accepted. For customers, the finance function assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in note 8 and note 22f. For some trade receivables, the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit that can be called upon if the counterparty is in default under the terms of the agreement. In addition, the Group obtains credit insurance over export customers and some Australian customers.

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22. FINANCIAL RISK MANAGEMENT (CONT.)

The maximum exposure to credit risk is as follows:

	CONSOLIDATED	
	2025 $m	2024 $m
Cash and cash equivalents	120.9	65.6
Trade receivables	168.9	314.5
Amounts receivable under Trade Receivables Facility	8.8	13.2
Accrued revenue	1.8	1.1
Other receivables	17.3	22.1
Fair value derivatives	2.6	1.2
Total credit risk exposure	**320.3**	**417.7**

There is considered to be limited credit risk in the balances of other receivables due to their nature as entities with which close commercial relationships are maintained, related parties or government agencies. The Group manages amounts payable by direct milk suppliers to the Group for supplier advances, loans or other prepayments for milk so as to mitigate any material exposure to default.

The ageing analysis of trade receivables is set out in the table below. The credit quality of financial assets that are neither past due nor impaired is assessed based on the application of the credit risk policies described above. The expected impairment loss calculation for trade receivables considers the impact of past events, and exercises judgment over the impact of current and future economic conditions when considering the recoverability of outstanding trade receivable balances at the reporting date. Subsequent changes in economic and market conditions may result in the provision for impairment losses increasing or decreasing in future periods.

Consolidated	CURRENT $m	MORE THAN 30 DAYS PAST DUE $m	MORE THAN 60 DAYS PAST DUE $m	MORE THAN 90 DAYS PAST DUE $m	TOTAL $m
Year ended 30 June 2025					
Expected loss rate	0.2%	5.3%	-	55.4%	
Gross carrying amount - trade receivables	164.0	1.9	1.0	5.6	172.5
Loss allowance	0.4	0.1	-	3.1	3.6
Year ended 30 June 2024					
Expected loss rate	0.1%	-	-	47.2%	
Gross carrying amount - trade receivables	304.9	2.2	1.9	11.0	320.0
Loss allowance	0.3	-	-	5.2	5.5

	CONSOLIDATED	
	2025 $m	2024 $m
Opening loss allowance	5.5	5.7
Increase in loss allowance recognised in profit or loss during the year	1.6	4.1
Receivables written off during the year as uncollectible	(3.5)	(4.3)
Closing loss allowance	**3.6**	**5.5**

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22. FINANCIAL RISK MANAGEMENT (CONT.)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

D. Financing arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	CONSOLIDATED	
	2025 $m	**2024** $m
Undrawn facilities expiring within one year	150.0	-
Undrawn facilities expiring beyond one year	203.0	372.0
Drawn facilities	247.0	228.0
Total facilities	**600.0**	**600.0**
Total facilities are represented by:		
Common Terms Deed - Revolving Cash Advance Facility maturing 2 July 2027	270.0	270.0
Common Terms Deed - Revolving Cash Advance Facility maturing 17 February 2027	180.0	180.0
Inventory Facility - maturing 25 August 2025	150.0	150.0
Total facilities	**600.0**	**600.0**

The Common Terms Deed Debt Facilities are comprised of two aggregate facilities: Facility 1 which has an aggregate limit of $270 million maturing in July 2027 and Facility 2 which has an aggregate limit of $180 million maturing in February 2027.

In addition to the Common Terms Deed Debt Facilities, the Group continues to operate a stand-alone Inventory Facility (matures on 25 August 2025) which is not subject to cross-charges or cross-guarantees, except as disclosed in note 24. The Inventory Facility has an individual limit of $150 million and a combined aggregate limit of $350 million with the Trade Receivables Facility as disclosed in note 8. In August 2025, the Group extended its Inventory Facility which will expire on 31 August 2026.

The Common Terms Deed Debt Facilities and Inventory Facility are secured by equitable mortgages and floating charges on the assets of Bega Cheese Limited and its subsidiaries subject to the Deed of Cross Guarantee as disclosed in note 25.

Under the Common Terms Deed Debt Facilities, the Group is required to comply with the following covenants at the end of each annual and interim reporting period:

i. the leverage ratio is not greater than 3.5 times;

ii. the interest cover ratio must be greater than 2.0 times, increasing to 2.5 times from 1 July 2025; and

iii. shareholder funds must be equal or greater than $750 million.

The Group has complied with these and previous covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested as at the 28 December 2025 interim reporting date.

22. FINANCIAL RISK MANAGEMENT (CONT.)

E. Maturities of financial liabilities

The following table analyses the Group's financial liabilities. The amounts disclosed in the table are contractual undiscounted cash flows:

Consolidated	0–12 MONTHS $m	1–2 YEARS $m	2–5 YEARS $m	>5 YEARS $m	TOTAL CONTRACTUAL CASH FLOWS $m	CARRYING AMOUNT $m
At 30 June 2025						
Non-derivatives						
Lease liabilities	(29.6)	(26.5)	(73.7)	(147.0)	(276.8)	(193.6)
Secured bank loans	(9.8)	(159.4)	(95.0)	-	(264.2)	(246.0)
Trade and other payables	(455.0)	-	-	-	(455.0)	(455.0)
Derivatives						
Inflows	30.9	-	-	-	30.9	2.6
Outflows	(30.2)	-	-	-	(30.2)	(0.2)
Total financial liabilities	**(493.7)**	**(185.9)**	**(168.7)**	**(147.0)**	**(995.3)**	**(892.2)**
At 30 June 2024						
Non-derivatives						
Lease liabilities	(33.8)	(26.2)	(63.8)	(156.6)	(280.4)	(192.2)
Secured bank loans	(11.7)	(11.2)	(231.3)	-	(254.2)	(226.7)
Trade and other payables	(558.4)	-	-	-	(558.4)	(558.4)
Derivatives						
Inflows	57.3	-	-	-	57.3	1.2
Outflows	(56.9)	-	-	-	(56.9)	(0.3)
Total financial liabilities	**(603.5)**	**(37.4)**	**(295.1)**	**(156.6)**	**(1,092.6)**	**(976.4)**

F. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and financial assets at fair value securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. All fair value instruments are measured using quoted prices from active markets where available.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level under the following fair value measurement hierarchy:

i. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

iii. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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22. FINANCIAL RISK MANAGEMENT (CONT.)

The following table presents the Group's assets and liabilities measured and recognised at fair value at the end of the reporting period:

Consolidated	LEVEL 2 $m	TOTAL $m
At 30 June 2025		
Assets		
Foreign currency options	1.1	1.1
Foreign currency forwards - fair value hedges	1.2	1.2
Commodity hedges	0.3	0.3
Total assets	**2.6**	**2.6**
Liabilities		
Commodity hedges	(0.2)	(0.2)
Total liabilities	**(0.2)**	**(0.2)**
At 30 June 2024		
Assets		
Foreign currency forwards - cash flow hedges	0.6	0.6
Commodity hedges - cash flow hedges	0.6	0.6
Total assets	**1.2**	**1.2**
Liabilities		
Held for trading	(0.1)	(0.1)
Foreign currency forwards - cash flow hedges	(0.2)	(0.2)
Total liabilities	**(0.3)**	**(0.3)**

23. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and generate adequate returns to shareholders. Consistent with others in the industry, the Group monitors its capital on the basis of net debt, total equity and gearing ratio.

	CONSOLIDATED	
	2025 $m	**2024** $m
Borrowings	246.0	226.7
Add back: borrowing costs	1.0	1.3
Cash and cash equivalents	(120.9)	(65.6)
Net debt	**126.1**	**162.4**
Total equity	980.2	1,014.8
Net debt to equity ratio	**13%**	**16%**

Group structure

24. PARENT ENTITY FINANCIAL INFORMATION

A. Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	BEGA CHEESE LIMITED	
	2025 $m	**2024** $m
Current assets	830.4	563.7
Total assets	2,045.4	1,807.8
Current liabilities	(462.0)	(498.4)
Total liabilities	(795.5)	(821.8)
Net assets	**1,249.9**	**986.0**
Shareholder's equity		
Issued capital of parent entity	886.9	885.5
Reserves		
Share-based payment reserve	4.2	2.1
Capital profits reserve	32.6	32.6
Hedging reserve	0.8	0.3
Retained earnings	325.4	65.5
Total equity	**1,249.9**	**986.0**
Profit after tax for the year	290.4	63.4
Total comprehensive income	290.4	63.4

Current assets and liabilities of Bega Cheese Limited include intercompany loans.

B. Guarantees entered into by parent entity

The parent entity has entered into a deed of cross guarantee in relation to the debts of its subsidiaries as described in note 25.

C. Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2025 or 30 June 2024 except as disclosed in note 27.

D. Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2025, the parent entity had contractual commitments for the acquisition of property, plant or equipment totalling $15.5 million (2024: $3.8 million). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

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25. SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

Consolidated	COUNTRY OF INCORPORATION	NATURE OF RELATIONSHIP	2025 % OF OWNERSHIP INTEREST	2024 % OF OWNERSHIP INTEREST
180 Nutrition Pty Ltd	Australia	Subsidiary	100	100
BDD Australia Pty Ltd[1]	Australia	Subsidiary	100	100
BDD Foods Pty Ltd[1]	Australia	Subsidiary	100	100
BDD Milk Pty Ltd[1]	Australia	Subsidiary	100	100
Bega Cheese Benefit Fund Ltd	Australia	Subsidiary	100	100
Bega Cheese Investments Pty Ltd	Australia	Subsidiary	100	100
Bega Dairy and Drinks Pty Ltd[1]	Australia	Subsidiary	100	100
Bega Dairy and Drinks Finance Pty Ltd[1]	Australia	Subsidiary	100	100
Bega Dairy and Drinks Services Pty Ltd[1]	Australia	Subsidiary	100	100
Bega Foods Trading L.L.C.[2]	United Arab Emirates	Subsidiary	100	-
Bega Insurance Pte Ltd	Singapore	Subsidiary	100	100
Berri Pty Ltd[1]	Australia	Subsidiary	100	100
Berri Asia Sdn Bhd	Malaysia	Subsidiary	100	100
Blowflex Mouldings Pty Ltd[1]	Australia	Subsidiary	100	100
Capitol Chilled Foods (Australia) Pty Ltd[1]	Australia	Subsidiary	100	100
Dairy and Drinks Singapore Pte Ltd	Singapore	Subsidiary	100	100
Dairy Farmers Pty Ltd[1]	Australia	Subsidiary	100	100
Dairy Vale Foods Pty Ltd[1]	Australia	Subsidiary	100	100
Malanda Dairyfoods Pty Ltd[1]	Australia	Subsidiary	100	100
National Foods Holdings Ltd[1]	Australia	Subsidiary	100	100
National Foods Beverage Holdings Pty Ltd[1]	Australia	Subsidiary	100	100
Peanut Company of Australia Pty Ltd[1]	Australia	Subsidiary	100	100
QUD Pty Ltd[1]	Australia	Subsidiary	100	100
Shanghai Great Lion Food & Beverages Management Co Ltd	China	Subsidiary	100	100
Tatura Milk Industries Pty Ltd[1]	Australia	Subsidiary	100	100
Tatura Cheese Industries Pty Ltd	Australia	Subsidiary	100	100
CBH Fresh Ltd	Australia	Joint venture	-	11.5
Infant Nutrition Canning Australia Pty Ltd[3]	Australia	Joint venture	40	-

[1] *A party to Deed of Cross Guarantee dated 21 February 2021.*

[2] *Bega Foods Trading L.L.C. was established by the Group on 4 December 2024.*

[3] *The 40 percent interest in Infant Nutrition Canning Australia Pty Ltd was acquired through an initial purchase of shares on 2 April 2025, and a subsequent additional issue of shares on 14 April 2025.*

Interest in joint venture

The principal activity of the joint venture is the canning of its shareholders infant formula products. The Group financial statements include the following balance relating to the joint venture:

	CONSOLIDATED	
	2025 $m	2024 $m
Investments accounted for using the equity method	3.2	-

Accounting policies applied for joint ventures are described in note 33b.

26. CLOSED GROUP DISCLOSURE

Entities that are party to a Deed of Cross Guarantee under which each company guarantees the debts of the other are included in note 25. These companies represent a "closed group" for the purposes of Instrument 2016/785, issued by the Australian Securities and Investments Commission. By entering into the deed these entities have been relieved from the requirement to prepare a financial report and directors' report under the Instrument.

The Statement of Comprehensive Income and the Balance Sheet for this closed group are shown below:

	CLOSED GROUP	
	2025 $m	2024 $m
(Loss)/profit before income tax	**(6.8)**	**39.7**
Income tax expense	(1.8)	(9.3)
(Loss)/profit for the year	**(8.6)**	**30.4**

	CLOSED GROUP	
	2025 $m	2024 $m
ASSETS		
Current assets		
Cash and cash equivalents	119.8	64.0
Trade and other receivables	190.8	345.9
Derivative financial instruments	2.6	1.2
Inventories	366.3	358.1
Current tax assets	1.9	-
Assets held for sale	12.1	17.3
Other assets	28.9	28.6
Total current assets	**722.4**	**815.1**
Non-current assets		
Property, plant and equipment	657.8	673.4
Right-of-use assets	148.5	150.8
Deferred tax assets	28.3	16.3
Other assets	1.0	-
Intangible assets	472.4	476.6
Investments accounted for using the equity method	3.2	-
Total non-current assets	**1,311.2**	**1,317.1**
Total assets	**2,033.6**	**2,132.2**

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26. CLOSED GROUP DISCLOSURE (CONT.)

	CLOSED GROUP	
	2025 $m	2024 $m
LIABILITIES		
Current liabilities		
Trade and other payables	454.7	557.9
Other liabilities	13.7	16.2
Derivative financial instruments	0.2	0.3
Lease liabilities	19.1	23.9
Current tax liabilities	-	4.9
Provisions	127.4	103.8
Total current liabilities	**615.1**	**707.0**
Non-current liabilities		
Borrowings	246.0	226.7
Lease liabilities	174.5	168.3
Other liabilities	3.9	4.7
Provisions	20.7	16.8
Total non-current liabilities	**445.1**	**416.5**
Total liabilities	**1,060.2**	**1,123.5**
Net assets	**973.4**	**1,008.7**
EQUITY		
Share capital	875.5	874.2
Reserves	28.9	26.3
Retained earnings	69.0	108.2
Total equity	**973.4**	**1,008.7**

Unrecognised items

27. CONTINGENT LIABILITIES

The Group enters into product supply agreements with ongoing requirements to reconcile to specific contractual terms (see note 14). Contingent liabilities may arise where completion of the reconciliation process subsequent to a reporting date results in a payable greater than the amount accrued. Based on all available information and professional advice, management considers there are no significant contingent liabilities at 30 June 2025. The Group has $13.3 million of bank guarantees as at 30 June 2025 (2024: $13.3 million).

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28. COMMITMENTS

	CONSOLIDATED	
	2025 $m	2024 $m
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Plant and equipment - payable within one year	38.2	23.5

29. SUBSEQUENT EVENTS

The financial impact of the transactions set out below, which occurred after 30 June 2025, has not been recognised in these financial statements.

A. Dividend

On 21 August 2025, the Directors declared a final fully franked dividend of 6.0 cents per share, which represents a distribution of $18.3 million.

The Group's Dividend Reinvestment Plan (DRP) will be activated for the FY2025 final fully franked dividend. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares without transaction costs. Shares allocated under the DRP will be derived from new issued ordinary shares. The shares issued rank pari passu with other ordinary shares already on issue. The allocation price will be determined in accordance with the DRP rules as the arithmetic average of the daily volume weighted average market price of all Bega Cheese Limited shares sold through a normal trade on the ASX trading system over the five business days commencing on the day of the record date.

A shareholder can elect to participate in or terminate their involvement in the DRP at any time. Election notices for participation in the DRP in relation to the FY2025 final fully franked dividend to be paid on 25 September 2025 must be recorded by the registry by 5:00 pm on 28 August 2025 to be effective for that dividend.

B. Wind down and closure of peanut processing business

On 9 July 2025, the Group, following a 12-month strategic review, announced that it will wind down and close its peanut processing business, Peanut Company of Australia Pty Ltd. This will lead to a phased shutdown of the facilities at Kingaroy and Tolga in Queensland over the next 18 months. Plant and equipment and leased assets of $2.2 million related to these sites have been impaired in FY2025. Shutdown costs, including redundancies, will be recognised in FY2026 with an estimated range of $5.0 to $8.0 million.

Further details

30. RELATED PARTY TRANSACTIONS

A. Terms and conditions of related party transactions

Transactions between the Group and related parties are conducted on normal commercial terms and conditions.

B. Related party transactions with group entities

Details of transactions between the Group and other related parties are disclosed below.

The Group had the following transactions with Infant Nutrition Canning Australia Pty Ltd (INCA) during the year:

	CONSOLIDATED	
	2025 $m	2024 $m
Canning fees payable to INCA	0.7	-
Management fees receivable from INCA	0.2	-

Further details of the joint venture are included in note 25.

30. RELATED PARTY TRANSACTIONS (CONT.)

C. Key management personnel (KMP) remuneration and transactions

	CONSOLIDATED	
	2025 $	2024 $
Short-term employee benefits	4,407,193	3,955,120
Post-employment benefits	192,179	172,666
Other long-term employee benefits	455,098	132,329
Share-based payments	907,387	280,256
Total employee benefits	**5,961,857**	**4,540,371**

During the year, some KMP and their related entities engaged in related party transactions with the Group relating to the supply of milk and sale of peanuts. These transactions were on the same normal commercial terms as other suppliers and customers and are summarised in the table below.

	CONSOLIDATED	
	2025 $	2024 $
Payments made by the Group during the year	3,637,208	3,243,144
Sales made by the Group during the year	452,165	401,766
Amounts payable at year end	189,581	236,792
Amounts receivable at year end	48,461	65,102

Further details of KMP remuneration are disclosed in the Remuneration Report.

31. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2025 $	2024 $
Audit services		
PwC Australia - Audit and review of financial statements	1,823,000	2,003,000
PwC Australia - Limited assurance on Sustainability Report	160,000	135,000
Non-audit services		
PwC Australia - Assurance services	11,000	23,000
PwC Australia - Other services	65,000	392,000

From time to time the Group may engage PwC Australia on assignments additional to the statutory audit duties where their experience with the Group is important, provided such assignments do not give rise to a potential conflict of interest. During the current year PwC provided non-audit services relating to tax advice and tax compliance.

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32. SHARE-BASED PAYMENTS

Expenses arising from Bega Cheese Limited Long-Term Incentive Plans

The Long-Term Incentive Plans (LTI) are designed to provide LTIs to the CEO and executive team to deliver shareholder returns. Under the 2023-2025 LTI Plan (FY2023 Plan), 2024-2026 LTI Plan (FY2024 Plan) and the 2025-2027 LTI Plan (FY2025 Plan), each member of the executive team is granted share rights which only vest if certain performance standards are met.

The total number of performance rights outstanding at 30 June 2025 was 2,251,339 (2024: 1,730,448). On 18 August 2025, 243,941 performance rights related to the FY2022 LTI Plan (covering the 2022–2024 performance period) lapsed. These rights were not exercised and have been forfeited following the balance sheet date.

Details of the movements in LTI performance rights are disclosed in the Remuneration Report.

	CONSOLIDATED	
	2025 $m	2024 $m
Entitlements due under employee share schemes		
Expense in relation to LTIs	2.5	0.3
Total employee share scheme expense	**2.5**	**0.3**

The following tables detail the total performance rights issued by the Group:

			CONSOLIDATED	
LTI Plan	VESTING DATE	VALUATION PRICE	2025 NO. OF RIGHTS	2024 NO. OF RIGHTS
FY2025 Plan	30 June 2027	$4.28	520,891	-
FY2024 Plan	30 June 2026	$2.99	813,744	813,744
FY2023 Plan	30 June 2025	$3.11	672,763	672,763
FY2022 Plan	30 June 2024	$5.50	243,941	243,941
Performance rights on issue at end of period			**2,251,339**	**1,730,448**

	LONG-TERM INCENTIVES PERFORMANCE RIGHTS	
	No. of rights	$
Year ended 30 June 2025		
Outstanding at the beginning of the period	1,730,448	n/a
Granted during the period	520,891	$4.28
Outstanding at end of period	**2,251,339**	**n/a**
Year ended 30 June 2024		
Outstanding at the beginning of the period	1,390,248	n/a
Granted during the period	813,744	$2.99
Lapsed during the period	(473,544)	$5.07
Outstanding at end of period	**1,730,448**	**n/a**

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Bega Cheese Limited and the entities it controlled at year end or from time to time during the financial year (the Group). Bega Cheese Limited is domiciled in New South Wales and is incorporated in Australia.

The financial statements were authorised for issue by the Directors on 21 August 2025. The Directors have the power to amend and reissue the financial statements.

A. Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*. Bega Cheese Limited is a for-profit entity for the purpose of preparing the financial statements and is a company limited by shares.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Early adoption of standards

The Group has elected not to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2024.

Adoption of new standards

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2024:

- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants [AASB 101]*

The amendment listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

International tax reform - Pillar Two

The Organisation for Economic Co-operation and Development (OECD) has developed a global solution to address the tax challenges arising from a globalised economy. Pillar Two of the two-pillar solution introduces a global minimum effective tax rate where multinational groups with consolidated revenue over €750m (during a specific period) are subject to a minimum effective tax rate of 15% on income in each jurisdiction in which they operate. Where the effective tax rate is less than 15%, a top-up tax applies.

The Group is within scope of the Pillar Two rules. Legislation has been enacted or substantively enacted in the Group's main operating jurisdiction, Australia. Under the Australian legislation, the Income Inclusion Rule (IIR) and Qualifying Domestic Minimum Top-up Tax (QDMTT) apply to the Group as of 1 July 2024, and the Undertaxed Profits Rule (UTPR) applies to the Group as of 1 July 2025.

Based on the most recent financial information, the Group has no top up tax arising under the IIR or QDMTT for the financial year ended 30 June 2025, and based on forecast information, no material exposure is expected in future periods. In accordance with AASB 112, the Group has applied the mandatory exception from recognising deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation has also been enacted in other jurisdictions where the Group operates, including Singapore, Malaysia and the United Arab Emirates, which will apply to the Group's financial year ending 30 June 2026. The Group continues to monitor global Pillar Two developments and assess potential future implications.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments).

Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Areas where assumptions and estimates are significant to the financial statements are disclosed in note 21. Certain items in the prior period have been reclassified to be consistent with their presentation in the current period.

B. Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bega Cheese Limited (Company or parent entity) as at 30 June 2025 and the results of all subsidiaries for the year then ended. Bega Cheese Limited and the entities it controlled together are referred to in this financial report as the 'Group' and the 'consolidated entity'.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint ventures and associates

Interests in joint ventures and associates are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance Sheet. Under the equity method of accounting, joint ventures and associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the joint venture or associate in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture or associate in other comprehensive income. Distributions received or receivable from joint ventures and associates are recognised as a reduction in the carrying amount of the investment.

C. Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Makers. The Chief Operating Decision Makers, who are responsible for allocating resources and assessing performance of the reporting segments, are the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer.

D. Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Bega Cheese Limited's functional and presentation currency.

Foreign operations

The assets and liabilities of the Group's foreign operations are translated at applicable exchange rates at 30 June of the relevant reporting period. Income and expense items are translated at the average exchange rates for the period.

Foreign exchange gains and losses arising on translation are recognised in the foreign currency translation reserve.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges.

E. Revenue recognition

Revenue is recognised to the extent that the Group satisfies a performance obligation where control of the goods or services passes to the customer, and the transaction price can be readily identified. Revenue is measured at the agreed price being the amount to which the entity expects to be entitled in exchange for goods and services. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Judgement is used in assessing revenue from customers under product supply contracts that require a periodic reconciliation to specific terms of those contracts. From time to time there may be differences of opinion between the Group and the customer as to the amount receivable under the contracts. Such differences are usually resolved amicably between the parties having regard to the relevant contract.

The cost of advertising of Bega-owned retail brands in conjunction with certain customers where the Group has some control over the way the money is invested, and a similar service could be provided by another party, has been recognised separately as an advertising expense, consistent with prior periods.

The Group does not have any contracts where the period between the transfer of the promised product or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Revenue is recognised for the major business activities as follows.

Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of other assets is recognised at a point in time when the Group has passed control of promised goods or assets to the customer. Transfer of control to the customer occurs when the product has been shipped to the location specified by the customer and the customer accepts the product. The delivery terms include cost and freight (CFR) and cost, insurance and freight (CIF). These terms mean the Group is responsible for providing shipping services up until the date at which control of the goods passes to the customer. The Group assesses these sales at December and June reporting periods and adjusts for those where control has not transferred to the customer.

Rebates and sales incentives to customers that have variable consideration are only included in revenue when it is highly probable that the inclusion will not result in significant adjustments in the future.

The Group procures some ingredients from customers which are used to produce finished goods sold to those same customers. Payments for these ingredients are offset against the revenue earned from those customers where the payments are not deemed to be for distinct goods or services as defined in AASB 15. The Group has not recognised the ingredients purchased from customers as inventory, instead recognising the items in other assets.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Services

Revenue from services relating to certain production agreements with customers is recognised over time in the reporting period in which the performance obligation is met.

Royalties and rental revenue

Revenue is recognised over time on an accruals basis in accordance with the substance of the relevant agreement. Royalties and licence fees for use of its brand names with customers is recognised when the performance obligation is satisfied (for the use of intellectual property).

F. Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

G. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If the fair value of the net identifiable assets acquired exceeds the consideration transferred this amount is recognised immediately as a gain on bargain purchase in the Consolidated Statement of Comprehensive Income.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

H. Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets or cash generating units (CGUs).

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value measurement is covered by AASB 13 and defines fair value of an asset as the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. The Group uses a discounted cash flow model to assess the value in use for impairment testing purposes of its CGUs.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

The estimated future cash flows are based on reasonable underlying financial and operational assumptions at the time including having regard to each of:

- recent actual historical performance
- business plans, budgets and other forecasts reflecting the short to medium-term outlook
- strategic plans defining the longer-term outlook and strategy approved for the business and related identifiable intangible assets.

The future cash flows are discounted to their present value using a discount rate reflecting the appropriate weighted average cost of capital based on capital market conditions, risk free rates, underlying growth rates and the risks specific to the asset at the time of the assessment. Key cash flow and discount rate assumptions are based on management judgement and also refer to external data and input from independent experts as required.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

I. Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

J. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 to 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly.

A loss allowance provision (allowance for impairment of trade receivables) is recognised for the lifetime expected credit losses from trade receivables. The loss allowance considers the impact of past events including historical loss rates, and exercises judgment over the impact of current and future economic conditions when considering the recoverability of outstanding trade receivable balances at the reporting date. Subsequent changes in economic and market conditions may result in the loss allowance provision increasing or decreasing in future periods.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within administration expense. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against administration expense in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired
- the Group transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Group transferred substantially all the risk and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

K. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first-in first-out basis. Milk is valued at average annual cost, including committed price increases in respect of the reporting period.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity or other appropriate cost allocation apportionments.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

L. Other assets

Some of the ingredients which the Group procures from customers are used to produce finished goods sold to those same customers. Payments for these ingredients are offset against the revenue earned from those customers where the payments are not deemed to be for distinct goods or services as defined in the standard.

The Group has not recognised the ingredients purchased from customers as inventory, instead recognising the items in other assets.

M. Investments and other financial assets

The Group classifies its investments in the following categories: loans and receivables, and financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date that are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 8) in the Consolidated Balance Sheet.

Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. They are subsequently carried at amortised cost using the effective interest method. They are derecognised when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22 for further details.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Certain shares held by the Group are classified as being financial assets at fair value through other comprehensive income (FVOCI) and are stated at fair value. Fair value is determined in the manner described in note 22. Gains and losses arising from changes in fair value are recognised through other comprehensive income with the exception of impairment losses that are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in reserves is included in profit or loss for the period.

N. Derivatives and hedging activities

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts and options. The Group does not enter into derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value assumes that the derivative is designated as a hedging instrument and depends on the nature of the item being hedged.

At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 22. Movements in the hedging reserve in shareholders' equity are shown in the Consolidated Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and otherwise as a current asset or liability.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or administration expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within "revenue". However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged items that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or administration expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

O. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- buildings, 10 to 50 years
- plant and equipment, 2 to 30 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

P. Leases

The Group leases various buildings (offices, warehouses, and manufacturing facilities), motor vehicles and equipment (forklifts and other equipment). The building rental agreements are generally for fixed periods between two and twenty years with options to extend for further one to ten years. Other lease contracts are typically made for fixed periods of between two and ten years. Leases identified as short term (12 months or less) and low value will continue to be recognised in the profit or loss as a lease expense. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components when possible. However for real estate for which the Group is lessee, it has elected not to separate and includes all non-lease components as a single lease component.

Lease liabilities are recognised by the Group at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments and variable lease payments that depend on an index or rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

The incremental borrowing rate is used unless the implicit interest rate in the lease is readily determined. The lessee's incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. Determining the incremental borrowing rate requires significant judgement. The discount rate is derived from key external market-based rates, the Group's credit margin, location of the asset and the length of the lease.

Right-of-use lease assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use lease assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use lease assets are depreciated on a straight-line basis in the profit or loss over the lease term.

Q. Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to that entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Brands and other identifiable intangible assets

Brands and other identifiable intangible assets purchased by the Group are initially recognised at cost, or at their fair value if acquired as part of a business combination.

These identifiable intangible assets are subsequently measured:

- if they have a finite life, at cost less amortisation, and
- if they have an indefinite life, at cost less accumulated impairment losses.

Finite life brands or other identifiable intangible assets are amortised on a straight-line basis over the shorter of their contractual or useful economic life, being 3 to 25 years. They are also tested for impairment when an indicator of impairment may exist.

Indefinite life identifiable intangible assets are not amortised but are instead tested for impairment annually, or more frequently if there is an indicator of impairment. Brands or other identifiable intangible assets are determined to have an indefinite life where there is an intention to maintain and support the brand or other intangible asset for an indefinite period.

Such assets are tested for impairment in accordance with the policy stated in note 33h.

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the Group assesses if the contract will provide a resource that it can control to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

Costs incurred to obtain access to the cloud provider's application software are generally recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances, modifies or creates additional capability to existing on-premise software are capitalised if it meets the recognition criteria for an intangible asset.

Certain internal and external costs directly incurred in acquiring and developing software are capitalised if it they meet the recognition criteria of an intangible asset and are amortised on a straight-line basis over their estimated useful lives, being three to ten years.

Capitalised costs are tested for impairment when an indicator of impairment exists.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

R. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

S. Borrowings

Establishment fees are capitalised against borrowings and amortised over the period of the facility to which it relates. Should it be probable that the facility will not be fully utilised, the related establishment fees are written off to profit and loss as soon as the underutilisation has been identified.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are expensed as incurred unless they relate to significant qualifying assets.

T. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restoration provisions

Provisions for the costs to restore (make good) leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Restructuring provisions

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

U. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and vesting sick leave that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave and annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations

All employees of the Group are entitled to benefits from the Group's superannuation plan on retirement, disability or death. All employees receive fixed contributions from the Group and the Group's legal or constructive obligation is limited to these contributions.

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33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

Share-based payments

The fair value of rights granted under the Bega Cheese Limited Long-Term Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted at the beginning of the scheme, which includes any market performance conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of performance rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

V. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

W. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

X. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Y. Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Z. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

AA. Rounding off amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

AB. Parent entity financial information

The financial information for the parent entity, Bega Cheese Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below:

i. Investments in subsidiaries and joint venture entities
Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Bega Cheese.

ii. Dividend income
Dividends receivable from subsidiaries and joint venture entities are included in Bega Cheese's income statement.

Consolidated Entity Disclosure Statement

Entity name	ENTITY TYPE	2025 % OF SHARE CAPITAL HELD	PLACE FORMED OR INCORPORATED	AUSTRALIAN OR FOREIGN RESIDENT	FOREIGN RESIDENT JURISDICTION
Bega Cheese Limited	Body corporate	n/a	Australia	Australian	n/a
180 Nutrition Pty Ltd[1]	Body corporate	100	Australia	Australian	n/a
BDD Australia Pty Ltd	Body corporate	100	Australia	Australian	n/a
BDD Foods Pty Ltd	Body corporate	100	Australia	Australian	n/a
BDD Milk Pty Ltd	Body corporate	100	Australia	Australian	n/a
Bega Cheese Benefit Fund Ltd	Body corporate	100	Australia	Australian	n/a
Bega Cheese Investments Pty Ltd	Body corporate	100	Australia	Australian	n/a
Bega Dairy and Drinks Pty Ltd	Body corporate	100	Australia	Australian	n/a
Bega Dairy and Drinks Finance Pty Ltd	Body corporate	100	Australia	Australian	n/a
Bega Dairy and Drinks Services Pty Ltd	Body corporate	100	Australia	Australian	n/a
Bega Foods Trading L.L.C.[2]	Body corporate	100	United Arab Emirates	Foreign	United Arab Emirates
Bega Insurance Pte Ltd	Body corporate	100	Singapore	Foreign	Singapore
Berri Pty Ltd	Body corporate	100	Australia	Australian	n/a
Berri Asia Sdn Bhd	Body corporate	100	Malaysia	Foreign	Malaysia
Blowflex Mouldings Pty Ltd	Body corporate	100	Australia	Australian	n/a
Capitol Chilled Foods (Australia) Pty Ltd	Body corporate	100	Australia	Australian	n/a
Dairy and Drinks Singapore Pte Ltd	Body corporate	100	Singapore	Foreign	Singapore
Dairy Farmers Pty Ltd	Body corporate	100	Australia	Australian	n/a
Dairy Vale Foods Pty Ltd	Body corporate	100	Australia	Australian	n/a
Malanda Dairyfoods Pty Ltd	Body corporate	100	Australia	Australian	n/a
National Foods Holdings Ltd	Body corporate	100	Australia	Australian	n/a
National Foods Beverage Holdings Pty Ltd	Body corporate	100	Australia	Australian	n/a
Peanut Company of Australia Pty Ltd	Body corporate	100	Australia	Australian	n/a
QUD Pty Ltd	Body corporate	100	Australia	Australian	n/a
Shanghai Great Lion Food & Beverages Management Co Ltd	Body corporate	100	China	Foreign	China
Tatura Milk Industries Pty Ltd	Body corporate	100	Australia	Australian	n/a
Tatura Cheese Industries Pty Ltd	Body corporate	100	Australia	Australian	n/a

[1] *180 Nutrition Pty Ltd is in the liquidation process with completion expected in FY2026.*
[2] *Bega Foods Trading L.L.C. was established by the Group on 4 December 2024.*

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Subsection 295 (3A)(a)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see subsection 295 (3A)(a)(vii) of the *Corporations Act 2001*).

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Directors' Declaration

In the Directors' opinion

a. the financial statements and notes set out on pages 31 to 99 are in accordance with the *Corporations Act 2001*, including

   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and

c. the Consolidated Entity Disclosure Statement on page 100 is true and correct, and

d. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 26 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26.

Note 33a confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Barry Irvin
Executive Chairman
Melbourne



Raelene Murphy
Independent Director
Melbourne

21 August 2025

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Independent auditor's report

To the members of Bega Cheese Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Bega Cheese Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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Liability limited by a scheme approved under Professional Standards Legislation



Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
The carrying value of Goodwill and indefinite life intangible assets in the Branded CGU (Refer to note 13) The Group is required to conduct a detailed impairment assessment relating to the Branded CGU on an annual basis given it holds indefinite lived intangible assets. The recoverability is assessed on a value in use basis, using impairment models prepared using discounted cashflows. This requires the Group to make significant judgements and assumptions, including estimation of forecast cash flows, terminal value growth rates and discount rates. The carrying value of the intangible assets in the Branded CGU is a key audit matter due to both the significance of the balance and the degree of subjectivity in the judgements and assumptions.	Our procedures included the following, amongst others: • Obtaining the Group's value in use model for the Branded CGU and evaluating the appropriateness of the valuation methodology used to estimate the recoverable amount of the CGU. • Evaluating the Group's cash flow forecasts included in the value in use model and the process by which they were developed, with reference to the historical performance of the business. • Assessing key assumptions within the models for reasonableness with reference to external market data where possible. • Evaluating the related financial statements disclosures for consistency with Australian Accounting Standards requirements. • With the assistance of PwC valuation experts, we assessed the discount rate and terminal growth rate used in the impairment models by comparing them to external market data and comparable companies.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the Remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the Remuneration report

Our opinion on the Remuneration report

We have audited the Remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration report of Bega Cheese Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Sam Lobley
Partner

Melbourne
21 August 2025

Shareholder information

The shareholder information set out below was applicable as at 30 June 2025.

Distribution of equity securities

HOLDING	NUMBER
1 – 1,000	7,300
1,001 – 5,000	5,294
5,001 – 10,000	1,621
10,001 – 100,000	1,209
100,001 and over	159
	15,583

There were 444 holders of a less than marketable parcel of ordinary shares.

Equity securityholders

The names of the twenty largest holders of quoted equity securities are listed below.

INVESTOR	NAME	NUMBER OF SHARES	% OF TOTAL SHARES ON ISSUE
1	Forrest Family	34,877,593	11.4
2	Dimensional Fund Advisors Limited	11,712,527	3.8
3	Macquarie Asset Management Holding Pty Limited	10,625,413	3.5
4	The Vanguard Group, Inc	10,277,137	3.4
5	State Street Global Advisors Australia L	10,134,481	3.3
6	Argo Investments Limited	7,985,846	2.6
7	First Sentier Investors (Australia) IM Ltd	7,480,409	2.5
8	Vinva Investment Management Limited	7,480,338	2.5
9	BlackRock Investment Management (Australia) Limited	7,038,362	2.3
10	Plato Investment Management Limited	7,038,221	2.3
11	Tribeca Investment Partners Pty Ltd	6,714,546	2.2
12	FIL Investment Management Australia Limited	5,464,960	1.8
13	Spheria Asset Management Pty Limited	5,359,234	1.8
14	Vanguard Investments Australia Limited	5,353,493	1.8
15	IFM Investors Pty Ltd (Sydney Fund)	5,152,014	1.7
16	Norges Bank Investment Management	3,863,589	1.3
17	RQI Investors	3,732,623	1.2
18	Wilson Asset Management (International) Pty Ltd	3,538,951	1.2
19	Arcadian Asset Management LLC	3,132,484	1.0
20	Investors Mutual Limited	2,714,539	0.9
	Total	**159,676,760**	**52.5**

Voting rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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Corporate Directory

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Advisors

AUDITOR

PricewaterhouseCoopers
2 Riverside Quay Southbank VIC 3006

SOLICITORS

Addisons
Level 12, 60 Carrington Street Sydney NSW 2000

BANKERS

Rabobank Australia Limited
Level 16, Darling Park Tower 3 201 Sussex Street
Sydney NSW 2000

Westpac Banking Corporation
360 Collins Street Melbourne VIC 3000

J.P. Morgan Australia
85 Castlereagh St Sydney NSW 2000

Commonwealth Bank of Australia Limited
Commonwealth Bank Place South
Level 1, 11 Harbour Street NSW 2000

Australia and New Zealand Banking Group Limited
ANZ Centre, Level 9, 833 Collins Street
Docklands VIC 3008

ING Bank (Australia) Limited
Level 28, 60 Margaret Street
Sydney NSW 2000

Directors & Company Secretaries

DIRECTORS

Barry Irvin
Executive Chairman

Rick Cross
Independent Director

Harper Kilpatrick
Director

Patria Mann
Independent Director

Peter Margin
Independent Director

Raelene Murphy
Independent Director

Terry O'Brien
Independent Director

Janette Kendall
Independent Director

COMPANY SECRETARY

Brett Kelly

STOCK EXCHANGE LISTING

Bega Cheese Limited shares are listed on the
Australian Securities Exchange (ASX) – Code BGA

Executive Team

Peter Findlay
Chief Executive Officer

Gunther Burghardt
Chief Financial Officer

David McKinnon
Executive General Manager People and Capability

Adam McNamara
Executive General Manager Growth
Channels & Customer Supply Chain

Jacqueline Scarlett
Group General Counsel

Hamish Reid
Executive General Manager Bulk Nutritionals & Ingredients

Antonietta Timms
Executive General Manager Branded Business Operations

Darryn Wallace
Executive General Manager Retail Sales,
Marketing & Partnerships

Rob Grima
Executive General Manager Operational Excellence

Zack Chisholm
Chief Information Officer

Entity Information

Bega Cheese Limited

Trading as "Bega Cheese" ABN 81 008 358 503

The Annual Report includes the results of Bega Cheese Limited (Bega Cheese, Company or parent entity) and the results of the subsidiaries, joint venture and associate. Bega Cheese and its subsidiaries together are referred to in this financial report as the Bega Cheese Group (Group, Bega Group or consolidated entity).

Principal Registered Office

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