



ASX ANNOUNCEMENT
21 March 2024

NAMOI COTTON LIMITED (ASX: NAM)
RECEIPT OF NON-BINDING INDICATIVE OFFER FROM OLAM AGRI

Namoi Cotton Limited ('Namoi') advises that its Board of Directors has received a non-binding, indicative and conditional offer ('NBIO') from Olam Agri Holdings Limited ('Olam') on 20 March 2024 (after close of market) for a total cash consideration of \$0.59 per share. This includes Namoi being permitted to pay a special dividend of \$0.01 per share (as part of the total cash consideration). The NBIO also provides that Olam is willing to contemplate concurrently making an off-market takeover bid for total cash consideration of \$0.57 per share (inclusive of the \$0.01 per share permitted special dividend).

The NBIO received from Olam is attached to this announcement.

Scheme Implementation Agreement with LDC

Namoi entered into a Scheme Implementation Agreement ('SIA') on 18 January 2024 with Louis Dreyfus Company Asia Pte. Ltd ('LDC') to acquire the remaining 83% of issued shares in Namoi that it does not currently own, by way of a scheme arrangement ('Scheme').

Under the Scheme, Namoi shareholders would receive a total cash consideration of \$0.51 per share. This total cash consideration includes Namoi paying a special dividend of \$0.01 per share to Namoi shareholders on the dividend record date after 1 April 2024 and prior to Scheme Implementation.

The Namoi Board is considering the Olam NBIO in context of its exclusivity obligations under the SIA that include:

- "No shop", "no talk" and "no due diligence" (the latter two subject to a customary fiduciary exception);
- "Notification" and "matching right" to LDC; and
- Circumstances in which Namoi may be required to pay a break fee to LDC.

At this stage Namoi shareholders do **not** need to take any action. Namoi will continue to keep shareholders and the market informed of developments in accordance with its continuous disclosure obligations.

Blackpeak Capital is acting as financial advisor to Namoi. KWM is acting as legal advisor to Namoi.

This announcement was approved by the Independent Directors of Namoi.

For further information, please contact:

Namoi Cotton Limited
Tim Watson
Executive Chairman
(07) 4631 6100

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STRICTLY PRIVATE AND CONFIDENTIAL

20th March 2024

Mr. Tim Watson
Executive Chairman
Namoi Cotton Limited
259 Ruthven Street
Toowoomba QLD 4350

Dear Mr. Watson,

Re: Non-binding indicative offer in respect of Namoi Cotton Limited

Olam Agri Holdings Limited (**Olam**) is pleased to submit this non-binding indicative offer (**NBIO**) for the acquisition of all of the shares in Namoi Cotton Limited (**Namoi**), the principal terms of which are summarised below (**Proposed Transaction**).

About Olam

Olam is a global, market-leading agribusiness in food, feed and fibre, built over 34 years. As a trusted partner across the supply chain from growing and sourcing, processing and manufacturing, logistics and distribution, and trading and risk management, it unlocks value for customers, enables farming communities to prosper sustainably and strives for a food-secure future.

Olam is 64.57% owned by Olam Group Limited, a leading food and agri-business supplying food, ingredients, feed and fibre to 22,000 customers worldwide which is listed on the Singapore Stock Exchange (SGX: VC2). Olam Group Limited's value chain spans over 60 countries and includes farming, processing and distribution operations, and direct engagement with a global network of farmers.

Olam has a long history of successful operations in the Australian cotton industry, through its wholly owned subsidiary Queensland Cotton, which it acquired in 2007. Queensland Cotton is renowned as one of Australia's longest established ginner, merchants and exporters of cotton. Besides being a cotton grower, it also maintains strong relationships with all growers through the offtake of grains and pulses. Additionally, Olam Group has extensive presence and investments in almond orchards and processing, employing over 550 people in Australia.

Rationale for the Proposed Transaction

Namoi Cotton is a high-quality business that has built a strong reputation and relationships in the Australian grower community. We have been active in Australia's cotton industry for over 16 years and believe that combining Namoi and Queensland Cotton will unlock new opportunities for the two businesses and for Australian cotton growers.

A combination with Olam would bring significant benefits to Namoi including access to Olam's global expertise, extensive customer franchise and track record of driving growth in its businesses as demonstrated in its Queensland Cotton's success. Acquiring Namoi is in line with Olam's strategy of strengthening and expanding its cotton merchandising and ginning capabilities in Australia.

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Namoi's assets, which include gins, grain and cottonseed storage facilities, warehouses and access to rail transport, would be highly complementary to Olam's existing operations. It would enable Olam to enhance its support and world-class service offerings to Australian cotton farmers and communities, leveraging its local market capabilities and global reach to support more sustainable cotton farming. Being a cotton farmer ourselves in both Australia and Brazil, we understand and service cotton growers' requirements better.

Given Namoi's long-standing reputation, it is Olam's intention to continue to operate Namoi's business under the Namoi Cotton brand, and investing to grow the Namoi franchise profitability.

The key terms and conditions of our NBIO are summarised below:

Olam Scheme: Olam seeks to acquire all of the Namoi shares by way of a scheme of arrangement under the Corporations Act (**Olam Scheme**).

Under the Proposed Transaction, Namoi shareholders would receive total cash payments of **A\$0.59** per share, which will comprise cash consideration under the Olam Scheme of \$A0.58 per share and a permitted special dividend of A\$0.01 per share to be paid to Namoi shareholders on a dividend record date prior to implementation of the Olam Scheme.

The total cash payments under the Olam Scheme are compelling and represent a significant premium of **16%** over the A\$0.51 per share total cash payments offered by Louis Dreyfus Company Asia Pte Ltd (LDC).

Concurrent Takeover:

Olam proposes an alternative structure under which Olam is also willing to contemplate concurrently with the Olam Scheme making an off-market takeover bid (**Concurrent Takeover**) to acquire all of the Namoi shares for total cash payments of **A\$0.57** per share (inclusive of the A\$0.01 permitted special dividend).

The total cash payments under the Concurrent Takeover, while less than the total cash payments under the Olam Scheme, still represent a significant premium of **12%** over the A\$0.51 per share total cash payments offered by LDC.

The Concurrent Takeover if made will be subject to, among other regulatory and customary requirements, the following conditions:

- either the Olam Scheme having not been approved at the scheme meeting by the requisite majority of Namoi shareholders or by the Court; and
- Olam having obtained a relevant interest in at least 50.1% of the Namoi shares (on a fully diluted basis).

The rationale for the Concurrent Takeover is to address a possible completion risk associated with the Olam Scheme not being approved by the requisite majority of Namoi shareholders (the main requirement of which is a 75% affirmative vote of shares voted). The Concurrent Takeover would only have a 50.1% minimum acceptance requirement.

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Additional dividend: Namoi will also be permitted to pay an additional permitted ordinary dividend of A\$0.01 cent per share to Namoi shareholders (subject to customary requirements) after 31 August 2024 in the event that the implementation of the Proposed Transaction is delayed beyond that date. This permitted ordinary dividend, should it be declared, will be in addition to the total cash payments for the Proposed Transaction described above.

Funding: Olam proposes to finance the Proposed Transaction (approximately A\$122 million) from a combination of existing cash reserves and external debt funding. In particular, the Proposed Transaction is not conditional on funding, nor is any equity raising contemplated to fund it.

Transaction Implementation Agreement: Olam expects to enter into a Transaction Implementation Agreement on terms and conditions consistent with the implementation agreement Namoi entered into with LDC, subject to any adjustments relating to the Concurrent Takeover.

Indicative timing: Olam expects that the parties will negotiate the Transaction Implementation Agreement contemporaneously with the confirmatory due diligence process, with a view to entering into it with Namoi by the end of April 2024. Olam would seek the joint preparation with Namoi of a transaction booklet to be lodged at the earliest practicable date, with the parties then proceeding to seek the requisite court and Namoi shareholder approvals.

No additional material conditions: No additional material conditions compared to those relating to LDC are contemplated in order for the Proposed Transaction to be implemented. In particular, no approvals from Olam shareholders are required to implement the Proposed Transaction.

Regulatory approvals: Olam has submitted its application for ACCC approval and intends to submit its application for FIRB approval on 22 March 2024.

Confirmatory Due Diligence: In order to conduct due diligence investigations and finalise our proposal, Olam seeks a 3-week period of confirmatory due diligence consistent with the level of due diligence information and access provided to LDC.

Confidentiality and clean team arrangements: Olam expects to enter into customary arrangements for maintaining confidentiality as well as clean team protocols to appropriately deal with competitively sensitive information on an equivalent nature to those entered into with LDC.

Advisers: Olam has retained Baker McKenzie as our legal advisor. Our team and advisers are ready to commence due diligence forthwith.

Disclosure: Olam Group Limited will release details of this NBIO to the Singapore Stock Exchange before market opens (9.30 am, Sydney time, 21 March 2024) consistent with its regulatory requirements.

Status: The total cash payments described in this letter are indicative only, and this proposal letter is not intended to, and does not, constitute or create any legally binding obligations or liabilities on the part of Olam (or Namoi). This letter serves as an outline of the terms and conditions to which the Proposed Transaction would be subject, but it is not a commitment to ultimately enter into any definitive transaction. For the avoidance of doubt, this letter is not, and cannot be considered to be, notification or a public announcement to make a takeover offer pursuant to section 631 of the Corporations Act.

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Olam Agri

Olam prides itself on its ability to move quickly and efficiently and will devote all necessary resources in order to progress this proposal and negotiate definitive transaction documents.

We believe that our offer values Namoi at an attractive premium and delivers compelling value for your shareholders. We look forward to engaging collaboratively and to progress this offer in a timely manner, and to ultimately continue our shared commitment to sustaining Australia's farming future.

If you wish to clarify any aspects of this letter or our approach to the Proposed Transaction, Olam together with our advisers, will make ourselves available at the earliest opportunity.

Yours Sincerely

Sunny Verghese
Co-Founder & Group CEO
Olam Agri Holdings Limited

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