

ASX Limited
Market Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000



11 September 2024

Dear Sir / Madam

Namoi Cotton Limited (ASX: NAM) – off-market takeover offer from Olam Agri Australia Pty Ltd – lodgement of First Supplementary Target’s Statement

On 31 May 2024, Namoi Cotton Limited (ACN 010 485 588) (**Namoi**) provided to the Australian Securities Exchange (**ASX**), as well as the Australian Securities and Investments Commission (**ASIC**) and Namoi shareholders, a target’s statement in response to the off-market takeover bid by Olam Agri Australia Pty Ltd (ACN 677 122 468) (**Olam**) for all of the fully paid ordinary shares in Namoi (**Olam Offer**).

We attach, as required by section 647(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a copy of the supplementary target’s statement (**First Supplementary Target’s Statement**) of Namoi in respect of the (**Olam Offer**). The First Supplementary Target’s Statement has been sent to Olam and lodged with the Australian Securities and Investments Commission today. The First Supplementary Target’s Statement includes a supplementary Independent Expert’s disclosure prepared by BDO Corporate Finance Ltd in relation to the Olam Offer.

In accordance with section 110D of the Corporations Act, the First Supplementary Target's Statement will be despatched to Namoi shareholders today by the following means:

- (a) Namoi shareholders who have nominated an email address for the purposes of receiving electronic communications from Namoi will receive an email with a communication providing a link to an electronic copy of the First Supplementary Target’s Statement (unless they have validly elected to receive hard copies of shareholder communications); and
- (b) Namoi shareholders who have not nominated an email address for the purposes of receiving electronic communications from Namoi and Namoi shareholders who have validly elected to receive hard copies of shareholder communications, will receive a letter from Namoi to their registered postal address, which will contain details of a link to an electronic copy of the First Supplementary Target’s Statement.

Namoi shareholders may also request a hard copy of the First Supplementary Target’s Statement be sent to them (if in Australia, by pre-paid ordinary post or by courier, or, if outside Australia, by pre-paid airmail post or by courier) by contacting the Namoi Shareholder Information Line on 1300 265 118 (within Australia) or +61 3 9415 4151 (outside Australia) Monday to Friday between 8:30am to 5:00pm (Sydney time) on a business day.

This announcement was approved and authorised for release by the Independent Directors¹ of Namoi.

For further information, please contact:

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

¹ Sarah Scales, Louis Dreyfus Company Asia Pte Ltd’s (**LDCA’s**) appointed nominee to the Namoi Board, will abstain from making a recommendation to Namoi shareholders due to the competing takeover offer from Louis Dreyfus Company Melbourne Holdings Pty Ltd (a wholly owned subsidiary of LDCA) and her association with LDCA.

SUPPLEMENTARY TARGET'S STATEMENT OLAM TAKEOVER OFFER



This document is the first supplementary target's statement (**Supplementary Target's Statement**) issued by Namoi Cotton Limited (ACN 010 485 588) (**Namoi**) under section 644 of the *Corporations Act 2001* (Cth) in relation to the off-market takeover bid by Olam Agri Australia Pty Ltd (ACN 677 122 468) (**Olam**) to acquire all of the Namoi Shares (**Offer** or **Olam Offer**).

This Supplementary Target's Statement supplements, and is to be read together with, Namoi's Target's Statement dated 31 May 2024 in relation to the Offer (**Target's Statement**). A copy of the Target's Statement can be obtained from Namoi's website at <https://www.namoicotton.com.au/takeover/>.

If you have any questions in relation to the Olam Offer (or the LDC Takeover Offer) you should seek independent financial and taxation advice and you can contact the Namoi Shareholder Information Line on 1300 265 118 (within Australia) or +61 3 9415 4151 (outside Australia) which is available Monday to Friday, between 8.30am to 5.00pm (Sydney time) on a Business Day.

REJECT

THE OLAM OFFER

Your Independent Directors
unanimously recommend that you **REJECT** the Offer
from Olam Agri Australia Pty Ltd and **DO NOTHING**
in relation to any documents received from Olam

Financial Adviser



Legal Adviser

KING & WOOD
MALLESONS

Unless the context requires otherwise, defined terms in the Target's Statement have the same meaning in this Supplementary Target's Statement. This Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this Supplementary Target's Statement was lodged with ASIC today. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Target's Statement. A copy of this Supplementary Target's Statement has also been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this document.

1 Update on takeover offers

The Independent Directors¹ of Namoi note that several recent developments have occurred which have resulted in the Independent Directors reconsidering their recommendation in relation to the Olam Offer. These include:

1. The ACCC announced on 1 August 2024 that it will not oppose the LDC Takeover Offer, after accepting a court-enforceable undertaking from the LDC Group to:
 - (a) divest its shares in ProClass Pty Ltd; and
 - (b) terminate its joint venture with WANT Cotton Pty Ltd.
2. On 4 September 2024, LDC released its third supplementary bidder's statement which announced that:
 - (a) the LDC Takeover Offer received FIRB approval;
 - (b) LDC had freed the LDC Takeover Offer from the 50.1% Minimum Acceptance Condition and Prescribed Occurrences Conditions (as those terms are defined in the LDC Target's Statement); and
 - (c) the LDC Takeover Offer is now unconditional.
3. The LDC Takeover Offer now being unconditional is to be contrasted with the Olam Offer, which is still conditional on FIRB approval, ACCC approval, a minimum acceptance condition and a prescribed occurrence condition.
4. LDC's Relevant Interest in Namoi Shares has increased to approximately 20.24%.
5. The ACCC has requested further information from Olam and has delayed the proposed date for announcement of its findings in relation to the Olam Offer until at least 31 October 2024.

2 Independent Expert's opinion

The Independent Directors asked the Independent Expert, BDO Corporate Finance Ltd (**BDO**), to consider the Olam Offer in the context of the change in circumstances outlined above and advise whether these factors result in any change to its opinion.

After considering these matters, BDO has formed the view that the Olam Offer is neither fair nor reasonable to Namoi Shareholders as at the date of this Supplementary Target's Statement. BDO's letter to Namoi Shareholders which sets out this view (**Independent Expert's Third Supplementary Disclosure**) is annexed to this Supplementary Target's Statement as Attachment 1 and should be read in full.

3 Independent Directors' recommendation

The Independent Directors unanimously recommend that Namoi Shareholders **REJECT** the Olam Offer and **TAKE NO ACTION** in relation to all documents sent to you by Olam.

Given the fact that the LDC Takeover Offer is now unconditional, and noting the other circumstances outlined above, as well as the revised view of the Independent Expert that the Olam Offer is now neither fair nor reasonable to Namoi Shareholders, the Independent Directors now consider the Olam Offer, in its current form, on balance, to be an inferior proposal to the LDC Takeover Offer.

¹ Note: Ms Sarah Scales, LDCA's appointed nominee to the Namoi Board, is abstaining from making a recommendation to Namoi Shareholders due to the competing LDC Takeover Offer and her association with LDCA.

4 Reasons to REJECT the Offer

The Independent Directors recommend that Namoi Shareholders **REJECT** the Olam Offer for the following reasons:

1.	The LDC Takeover Offer is unconditional and provides certain and immediate cash consideration
2.	The Olam Offer, while subject to a limited number of Conditions, is still conditional and subject to regulatory approvals
3.	If you do not accept the LDC Takeover Offer, there is a risk that you may become a minority shareholder of Namoi
4.	The Independent Expert determined the Olam Offer is neither fair nor reasonable to Namoi Shareholders as at the date of the Independent Expert's Third Supplementary Disclosure
5.	If you accept the Olam Offer, you may not be able to participate in the LDC Takeover Offer, or any superior proposal that may emerge

1. As the LDC Takeover Offer is now unconditional, the LDC Takeover Offer provides certain and immediate cash consideration for your Namoi Shares.

Namoi Shareholders who accept the LDC Takeover Offer will be paid the LDC Takeover Offer Price for their Namoi Shares 10 Business Days after the later of:

- (a) receipt of your valid acceptance; or
- (b) the date on which the LDC Takeover Offer became unconditional (which occurred on 4 September 2024).

As outlined below, the Olam Offer remains subject to material Conditions, and payment under the Olam Offer will not be made until the Conditions are either satisfied or waived. It is uncertain when, if ever, the Olam Offer will become unconditional. Even in the event the Olam Offer is ultimately successful there could be a material delay in the timing of payment and Namoi Shareholders should consider their own cost of capital in assessing the timing cost of waiting.

Although the LDC Takeover Offer Price of \$0.67 per Namoi Share is less than the Olam Offer Price of \$0.70 per Namoi Share, the Independent Directors consider that the certainty and more proximate payment under the unconditional LDC Takeover Offer means that the Olam Offer Price is insufficient when compared to the LDC Takeover Offer Price, given the greater uncertainty associated with the Olam Offer.

2. The Olam Offer remains subject to material Conditions, including the ACCC Clearance Condition, the FIRB Condition, the 50.1% Minimum Acceptance Condition and the Prescribed Occurrences.

On 20 June 2024 the ACCC released a 'Statement of Issues', identifying the preliminary competition concerns it has with Olam's proposed acquisition of all Namoi Shares. On 2 August 2024, the ACCC requested further information from Olam and the ACCC may seek further information on those issues before making its final decision. The proposed date for making its final decision in relation to the Olam Offer was previously 22 August 2024, however the ACCC has since announced that this has been delayed until at least 31 October 2024.

While the Olam Offer is still subject to Conditions, there is no certainty that the Olam Offer will become unconditional. Conversely, the LDC Takeover Offer is now unconditional.

In LDC's second supplementary bidder's statement dated 10 May 2024, LDC advised that the LDC Group would not accept the Olam Offer with respect to any of its Namoi Shares (the LDC Group's Relevant Interest at that time in Namoi being 16.99%, which has since

increased to 20.24% and may change to account for any further acceptances received by LDC under the LDC Takeover Offer from time to time). Accordingly, Olam may not be able to reach the threshold required for compulsory acquisition and it may be more difficult for Olam to satisfy the 50.1% Minimum Acceptance Condition.

3. There is a risk that you will become a minority shareholder in Namoi if:
 - (a) you accept the Olam Offer and Olam does not obtain a Relevant Interest of more than 50% of the Namoi Shares, and LDC acquires a Relevant Interest of more than 50% but less than 90% of the Namoi Shares; or
 - (b) you do not accept the LDC Takeover Offer or the Olam Offer and either LDC or Olam acquires a Relevant Interest of more than 50% but less than 90% of the Namoi Shares.

As a consequence, you will be exposed to the associated risks, including the risk that the value of your Namoi Shares may decrease, the market in Namoi Shares could become illiquid or LDC (or Olam) may take Namoi off market altogether, meaning you may have less ability to deal with, or realise value for, your Namoi Shares. Some of these risks are explained further in Section 5.11 of the Target's Statement.

If you accept the LDC Takeover Offer, you will not be exposed to the risk of becoming a minority shareholder of Namoi.

4. BDO, the Independent Expert which prepared the Independent Expert's Report and the Independent Expert's Supplementary Disclosure, has been asked to consider the change in circumstances outlined above and provide a written opinion on whether these factors result in any change to its opinion. The updated opinion is set out in the Independent Expert's Third Supplementary Disclosure attached as Attachment 1.

The Independent Expert has confirmed it still estimates the fair market value of the Namoi Shares to be in the range of \$0.42 to \$0.78 per Namoi Share and, having regard to the change in circumstances, concluded that the Olam Offer is neither fair nor reasonable as at the date of the Independent Expert's Third Supplementary Disclosure.

5. If you accept the Olam Offer now and if the Conditions are satisfied or waived in full then, unless a withdrawal right exists or arises under the Corporations Act, you will not be able to accept the LDC Takeover Offer or any superior proposal that LDC or any other bidder (other than Olam) may make.²

Additionally, in the event that the Olam Offer does not become unconditional and the LDC Takeover Offer closes before you accept it, there is a risk that Namoi Shares may trade below the LDC Takeover Offer Price or revert to the Undisturbed Historic Market Prices of between \$0.335 and \$0.475 per Namoi Share. Namoi Shares could also become a more illiquid and infrequently traded share as a result of the completion of the LDC Takeover Offer. The LDC Takeover Offer is scheduled to close at 7.00pm (Sydney time) on 13 September 2024 (unless extended).

There can be no certainty that any future change of control transaction will emerge that could crystallise a control premium for your Namoi Shares and the LDC Group's shareholding in Namoi and LDCA's interest in the NCA and NCMA joint ventures could constrain the ability to attract future third party interest in Namoi.

Your Independent Directors will advise you if there are any further material developments in relation to the Olam Offer or the LDC Takeover Offer during the Offer Period or the LDC Takeover Offer Period (as applicable).

Notwithstanding the recommendation of the Independent Directors to **REJECT** the Olam Offer and the conclusion of the Independent Expert that the Olam Offer is neither fair nor reasonable to Namoi Shareholders as at the date of the Independent Expert's Third Supplementary Disclosure, you may hold a different view and believe that the Olam Offer is likely to become unconditional and/or that accepting the Olam Offer is in your individual best interests and you may choose to accept the Olam Offer.

² Certain withdrawal rights currently exist in relation to the Olam Offer, including because the Olam Offer remains subject to the FIRB Condition. See Section 6 of this Supplementary Target's Statement for further information.

5 How to REJECT the Olam Offer

To **REJECT** the Olam Offer, you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by Olam.

You should read this Supplementary Target's Statement which contains your Independent Directors' recommendation to **REJECT** the Olam Offer and the reasons for this recommendation and consult with your investment, financial, taxation or other professional adviser if in doubt about what to do.

If you have any other queries in relation to the Olam Offer (or the LDC Takeover Offer), please contact the Namoi Shareholder Information Line on 1300 265 118 or +61 3 9415 4151 (outside Australia) which is available Monday to Friday between 8.30am and 5.00pm (Sydney time) on a Business Day.

6 What to do if you have already accepted the Olam Offer

As at the date of this Supplementary Target's Statement, the Olam Offer remains subject to the FIRB Condition. Accordingly, you may still withdraw your acceptance of the Olam Offer and accept the LDC Takeover Offer.

As outlined at section 5.9(b) of the Olam Target's Statement, an additional withdrawal right arises under the Corporations Act if Olam varies the Offer in a way that postpones for more than one month, the time when Olam needs to meet its obligations under the Offer (and the Offer is still subject to any Conditions at that time). On 3 September 2024, Olam did so vary the Offer by extending the Offer Period (in combination with previous extensions of the Offer Period) by more than one month while it is still subject to conditions. Accordingly, each Namoi Shareholder who has validly accepted the Olam Offer on or before 3 September 2024 has the right to withdraw their acceptance of the Olam Offer (irrespective of whether or not the FIRB Condition has been satisfied), by giving a written notice of withdrawal to Olam (please refer to Olam's announcement 'Extension of Olam Agri Takeover Bid' dated 3 September 2024 for further details on how to give a withdrawal notice).

If you wish to exercise these statutory withdrawal rights you must do so within one month, beginning on the day after the day on which you received a copy of Olam's notice of variation. However, if the Offer Period is further extended by Olam, you may receive further statutory withdrawal rights.

This withdrawal right exists irrespective of whether or not the FIRB Condition has been satisfied. After withdrawing your acceptance of the Olam Offer, you may accept the LDC Takeover Offer.

Namoi Shareholders should be aware that if they have accepted the Olam Offer, do not exercise this withdrawal right within one month and the FIRB Condition were to become satisfied, they would be unable to withdraw their acceptance of the Olam Offer unless another withdrawal right exists or arises under the Corporations Act.

The Olam Offer is currently expected to close at 7.00pm (Sydney time) on 8 October 2024 (unless extended or withdrawn).

7 Additional Information

At section 5.2 of the Olam Target's Statement (Overview of Olam's interest in Namoi), it was noted that Olam's Relevant Interest in Namoi Shares was approximately 0.42%. Following acceptances of the Olam Offer, as at the last Business Day before this Supplementary Target's Statement, Olam's Relevant Interest in Namoi Shares is now approximately 6.02%.

At section 5.6(c) of the Olam Target's Statement (ACCC Clearance Condition), a status update was provided with regard to the ACCC Clearance Condition. As noted above, the ACCC released a 'Statement of Issues' on 20 June 2024 identifying the preliminary competition concerns it has with the Olam Offer. The ACCC has delayed the proposed date for announcement of its findings in relation to the Olam Offer until at least 31 October 2024.

At section 8.8 of the Olam Target’s Statement (Namoi Residual Capital Stock), it was noted that the 1,621,628 Namoi Residual Capital Stock on issue would be redeemed on 4 June 2024. This redemption has now occurred and payment has been made to the relevant Namoi Residual Capital Stock Holders. Accordingly, there are no longer any Namoi Residual Capital Stock on issue.

8 Other ASX announcements

Since lodging the Olam Target’s Statement on 31 May 2024, the following ASX Announcements have been made on Namoi’s ASX platform:

1. “OLAM Target's Statement Recommendation” released to ASX on 31 May 2024;
2. “Variation of Takeover Bid” released to ASX on 31 May 2024;
3. “Olam Agri Change of Shareholding” released to ASX on 4 June 2024;
4. “Notification of cessation of securities – NAM” released to ASX on 4 June 2024;
5. “Extension of Olam Agri Takeover Bid” released to ASX on 11 June 2024;
6. “Olam Agri Change of Shareholding” released to ASX on 12 June 2024;
7. “Variation of Takeover Bid” released to ASX on 14 June 2024;
8. “LDC Change in substantial holding” released to ASX on 17 June 2024;
9. “Olam Agri Change of Shareholding” released to ASX on 17 June 2024;
10. “Olam's proposed acquisition of Namoi Cotton raises concerns” released to ASX on 20 June 2024;
11. “Olam Agri Second Supplementary Bidder's Statement” released to ASX on 20 June 2024;
12. “Olam Agri Change of Shareholding” released to ASX on 21 June 2024;
13. “2024 App4G and Corporate Governance Statement” released to ASX on 21 June 2024;
14. “Becoming a substantial holder” released to ASX on 24 June 2024;
15. “Quarterly Activities/Appendix 4C Cash Flow Report” released to ASX on 26 June 2024;
16. “Variation of Takeover Bid” released to ASX on 28 June 2024;
17. “Notice of Annual General Meeting/Proxy Form” released to ASX on 28 June 2024;
18. “Extension of Olam Agri Takeover Bid” released to ASX on 9 July 2024;
19. “Variation of Takeover Bid” released to ASX on 12 July 2024;
20. “Olam Agri Change of Shareholding” released to ASX on 22 July 2024;
21. “Variation of Takeover Bid” released to ASX on 26 July 2024;
22. “Chair's Address to Shareholders” released to ASX on 30 July 2024;
23. “Results of Meeting” released to ASX on 30 July 2024;
24. “AXX: L Dreyfus' proposed acquis. of Namoi Cotton not opposed” released to ASX on 1 August 2024;
25. “Olam Agri Third Supplementary Bidder's Statement” released to ASX on 1 August 2024;
26. “Notice of fulfilment of defeating condition” released to ASX on 1 August 2024;
27. “Change in substantial holding” released to ASX on 2 August 2024;
28. “Variation of Takeover Bid” released to ASX on 6 August 2024;
29. “Extension of Olam Agri Takeover Bid” released to ASX on 6 August 2024;
30. “Change in substantial holding” released to ASX on 8 August 2024;
31. “Olam Agri Fourth Supplementary Bidder's Statement” released to ASX on 12 August 2024;
32. “Variation of Takeover Bid” released to ASX on 16 August 2024;
33. “Business Update” released to ASX on 23 August 2024;
34. “Variation of Takeover Bid” released to ASX on 23 August 2024;
35. “Variation of Takeover Bid” released to ASX on 30 August 2024;
36. “LDC Offer - Section 630 Notice” released to ASX on 30 August 2024;
37. “Extension of Olam Agri Takeover Bid” released to ASX on 3 September 2024; and
38. “Supplementary Bidder's Statement” released to ASX on 4 September 2024.

9 Consents

BDO has given and has not before the date of this Supplementary Target's Statement withdrawn its written consent to be named as the Independent Expert in this Supplementary Target's Statement and to the inclusion in this Supplementary Target's Statement of the Independent Expert's Third Supplementary Disclosure set out in Attachment 1 and the references to the Independent Expert's Report, Independent Expert's Supplementary Disclosure and Independent Expert's Third Supplementary Disclosure, in each case in the form and context in which they are included.

The following persons have given and have not before the date of this Supplementary Target's Statement withdrawn their written consent to be named in this Supplementary Target's Statement in the form and context in which they are named:

- (a) Blackpeak Capital Pty Ltd as financial adviser to Namoi; and
- (b) King & Wood Mallesons as legal adviser to Namoi.

Each person named above as having given its consent to the inclusion of a statement or to being named in this Supplementary Target's Statement has not authorised or caused the issue or preparation of this Supplementary Target's Statement and, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Supplementary Target's Statement other than the references specified above.

Each Independent Director consents to be named in this Supplementary Target's Statement and to the inclusion of statements made by them in this Supplementary Target's Statement and has not, before the lodgement of this Supplementary Target's Statement with ASIC, withdrawn their written consent to the inclusion of the statements in this Supplementary Target's Statement in each case in the form and context in which the statements are included and to all references in this Supplementary Target's Statement to those statements in the form and context in which they are included.

10 Authorisation

This Supplementary Target's Statement has been approved by a resolution passed by the Independent Directors of Namoi on 10 September 2024.

This Supplementary Target's Statement is dated 11 September 2024, which is the date on which it was lodged with ASIC.



Tim Watson
Executive Chairman
Namoi Cotton Limited

**Attachment 1 – Independent Expert’s
Third Supplementary Disclosure**

The Shareholders
C/- The Directors
Namoi Cotton Limited
259 Ruthven Street
Toowoomba, QLD, Australia, 4350

10 September 2024

Dear Shareholders,

Supplementary Disclosure 3

BDO Corporate Finance Ltd ('BDOCF') was engaged to:

1. Prepare an independent expert's report dated 20 May 2024 ('the IER') to the shareholders of Namoi Cotton Limited ('Namoi' or 'the Company') in relation to the off-market takeover offer made by Louis Dreyfus Company Melbourne Holdings Pty Ltd ('LDC') for all the ordinary shares in Namoi not already held by itself or its related bodies corporate ('the LDC Takeover Offer'). The consideration to be received by the Namoi shareholders ('the Shareholders') under the LDC Takeover Offer is cash consideration of \$0.67¹ per Namoi share. The terms of the LDC Takeover Offer are summarised in the replacement LDC Bidder's Statement dated 7 May 2024. The IER was included in the LDC Target's Statement released by Namoi to the ASX on 22 May 2024.
2. Provide supplementary disclosure in a letter dated 28 May 2024 to the Shareholders ('Supplementary Disclosure 1') in relation to the off-market takeover offer from Olam Agri Australia Pty Ltd ('Olam') for all the ordinary shares in Namoi ('the Olam Takeover Offer'). The consideration to be received by Shareholders under the Olam Takeover Offer is cash consideration of \$0.70¹ per Namoi share. The terms of the Olam Takeover Offer are summarised in the replacement Olam Bidder's Statement dated 16 May 2024 ('the Olam Bidder's Statement'). The Supplementary Disclosure 1 was included in the Olam Target's Statement released by Namoi to the ASX on 31 May 2024.
3. Provide supplementary disclosure in a letter dated 10 September 2024 to the Shareholders ('Supplementary Disclosure 2') in relation to the LDC Takeover Offer of \$0.67 per Namoi share becoming unconditional (refer to the announcement on Namoi's ASX platform on 4 September 2024 entitled 'Supplementary Bidder's Statement' ('the Supplementary Bidders Statement')) and other recent developments.
4. Provide this supplementary disclosure in a letter dated 10 September 2024 to the Shareholders ('Supplementary Disclosure 3') in relation to the Olam Takeover Offer in light of the LDC Takeover Offer becoming unconditional (as announced on 4 September 2024) and other recent developments.

In this Supplementary Disclosure 3, BDOCF has expressed an opinion as to whether or not the Olam Takeover Offer is 'fair and reasonable' to the Shareholders. This Supplementary Disclosure 3 has been prepared solely for use by the Shareholders to provide them with information relating to the Olam Takeover Offer. The Directors of the Company which are not associated with the Olam group or the LDC group have determined that it is appropriate to include supplementary disclosure in the supplementary Target's Statement dated on or around 11 September 2024 prepared by Namoi ('the Supplementary Target's Statement') responding to the implications of the Supplementary Bidders Statement and other recent developments on the Olam Takeover Offer.

¹ Exclusive of the \$0.01 per Namoi share dividend announced on 17 April 2024 with a record date of 24 April 2024 and paid to eligible Shareholders on 10 May 2024. Any other dividends declared by Namoi will reduce the cash consideration under the LDC Takeover Offer and the Olam Takeover Offer by an equivalent amount per Namoi share.

BDO Corporate Finance Ltd ABN 54 010 185 725 AFS Licence No. 245513 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

This Supplementary Disclosure 3 does not set out all matters that may be relevant to a Shareholder's consideration of the Olam Takeover Offer. Rather, it is intended to be considered in conjunction with the IER, the Supplementary Disclosure 1, the Supplementary Disclosure 2 and all other relevant market announcements made by Namoi. Unless otherwise stated, terms defined in this Supplementary Disclosure 3 have a meaning consistent with the IER.

This Supplementary Disclosure 3 should be read in full along with all other documentation provided to the Shareholders including the Olam Bidder's Statement and the Supplementary Target's Statement.

1.0 Fairness Assessment of the Olam Takeover Offer

1.1 Value Adopted for a Namoi Share

In our view, for the purposes of the analysis set out in this Supplementary Disclosure 3, it is appropriate to adopt a value in the range of \$0.42 to \$0.78 per Namoi share on a controlling interest basis. In forming this view, we have considered a Sum-of-Parts ('SOP') methodology, including applying a Capitalisation of Maintainable Earnings ('CME') valuation methodology to Namoi's existing core business, and a Market-Based Valuation ('MBV') methodology.

The valuation range adopted in this Supplementary Disclosure 3 is consistent with the valuation range adopted in the IER. Our valuation of Namoi is set out in Section 8 of the IER.

In considering the appropriateness of this valuation range, we had regard to discussions with the management of Namoi in relation to its FY2025 year to date performance and Namoi's ASX announcements. In particular, we note that the 26 June 2024 announcement by Namoi with the headline "Quarterly Activities/Appendix 4C Cash Flow Report" stated:

"Ginning revenues and payments for operating costs and cottonseed inventory are weighted to the first two quarters (i.e. the 6 months ending 31 August). Receipts from customers for cottonseed marketing and maintenance costs are generally weighted to the third and fourth quarters (i.e. the 6 months ending 28 February)..."

With cotton picking underway around 300,000¹ bales have been ginned as at the end of May 2024 (prior season for same period was 250,000 bales¹). Higher Q1 volume reflects the 2 week earlier commencement of ginning. However recent rainfall in our production valleys has negatively impacted the consistent delivery of cotton modules and cotton quality.

ABARES (4 June 2024) is forecasting total cotton production of 4.9 million bales for 2024 season (prior 2023 season was 5.5 million bales). We are expecting a ginning volume of 0.9 to 1.1 million bales for the 2024 season (prior 2023 season was 1.16 million bales)."

[Footnote 1: Namoi ginned bale volume for 100% of JV gins]

We note the 30 July 2024 announcement by Namoi with the headline "Chair's Address to Shareholders" stated:

2024 season and FY25 outlook

...To date for the 2024 season we have ginned around 800,000 bales against an expected volume of 1.0 to 1.1 million bales, from a forecast Australian cotton production of 4.9 million bales⁸. This is on the high side of our expected ginning volume announced on 17 April 2024.

While our ginning fees this season have kept pace with CPI, we continue to face significant inflationary pressure in input costs and particularly energy charges. Ginning productivity and supply chain utilisation has been negatively impacted by rainfall during picking, interrupting the delivery of cotton modules and lowering cotton quality. However, the Company's overall performance is expected to be supported by additional volumes and cottonseed marketing....

2025 (FY26) season outlook

Above average rain in most of our production valleys, and above average dam water storage levels, are expected to support above average cotton planting at the end of 2024 for the 2025 season. Industry participants are forecasting Australian 2025 season cotton production to be around 5 million bales⁹, similar to the 2024 season.

[Footnote 8: Cotton Compass 24 June 2024.]

[Footnote 9: Cotton Compass 27 May 2024.]

We also note the 23 August 2024 announcement by Namoi with the headline "Business Update" stated:

To date the Company has ginned 920,000 bales against an expected total ginning volume of 1.05 million bales, around 0.1 million bales less than the prior season [FY2024: 1.16 million]. Ginning should be completed in mid-October 2024 following an extended season for our southern gins.

Namoi Cotton expects FY2025 financial performance to be similar to FY2024 despite the lower ginning volume. The Company is expecting an underlying EBITDA² of \$26-29 million in FY2025³ excluding \$3.5 million in estimated transaction expenses⁴ related to the potential change of control transactions.⁵ [FY2024: Underlying EBITDA of \$26.3 million excluding \$3.4 million in transaction expenses].

Overall financial performance has been positively supported by improved cost management and Cottonseed Marketing despite the negative impact on Ginning and Supply Chain margin due to increased energy costs and rainfall during picking that interrupted the delivery of cotton and lowering cotton quality.

[Footnote 2: EBITDA: Non-IFRS and unaudited measure defined as earnings before interest, tax, depreciation and amortisation (including share of EBITDA from NCA and share of profit from NCMA and NCPS excluding impairments and revaluation decrements on property, plant and equipment held at fair value).]

[Footnote 3: Forecast EBITDA based on FY2024 earnings to 31 July 2024 from the management accounts, forecast financials for the remainder of FY2025 including estimated realised earnings for cottonseed marketing.]

[Footnote 4: Transaction expenses include costs and fees for legal services, independent expert and advisors. This also includes retention payments to staff.]

[Footnote 5: Off-market takeovers offers from (i) Louis Dreyfus Company Melbourne Holdings Pty Ltd (LDC) (see the LDC Replacement Bidder's Statement dated and released to ASX on 7 May 2024 and the first and second LDC Supplementary Bidder's Statements, also available at <https://www.namoicotton.com.au/takeover/>) and (ii) Olam Agri Australia Pty Ltd (Olam) (see the Olam Replacement Bidder's Statement dated and released to ASX on 16 May 2024 and the first, second, third and fourth Olam Supplementary Bidder's Statements, also available at <https://www.namoicotton.com.au/takeover/>).]

Management have advised that the above guidance remains the best guide to future performance as at the date of this Supplementary Disclosure 3.

1.2 Value Adopted for the Olam Takeover Offer Consideration

The Shareholders have been offered a cash payment of \$0.70 for each share they hold in Namoi. For this Report, we have adopted the face value of \$0.70 per Namoi share as the value for the cash consideration.

1.3 Comparison of the Value of a Namoi Share to Consideration under the Olam Takeover Offer

In order to assess the fairness of the Olam Takeover Offer, it is appropriate to compare the value of a Namoi share on a controlling interest basis with the consideration offered under the Olam Takeover Offer. Pursuant to RG 111, the Olam Takeover Offer is considered to be fair if the value of the consideration per Namoi share is equal to or greater than the value per Namoi share.

Table 1 below summarises our assessment of the fairness of the Olam Takeover Offer.

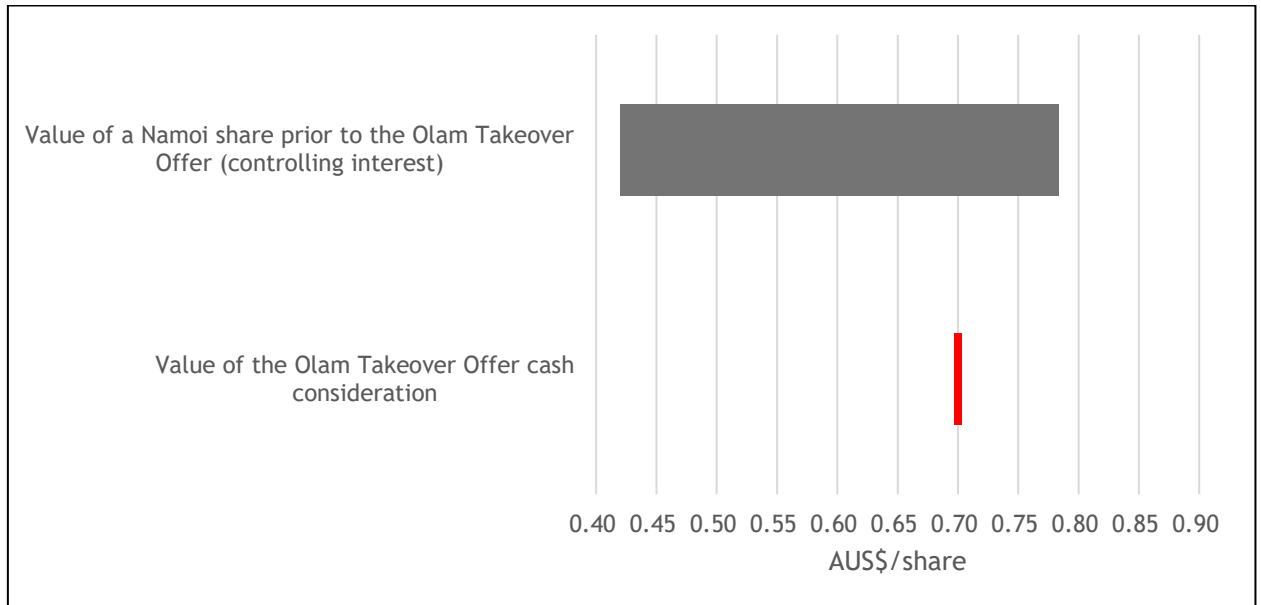
Table 1: Assessment of the Fairness of the Olam Takeover Offer

\$ per Namoi share	Low	High
Value of a Namoi share prior to the Olam Takeover Offer (controlling interest)	\$0.42	\$0.78
Value of the Olam Takeover Offer Cash Consideration	\$0.70	\$0.70

Source: BDOCF Analysis

Figure 1 below summarises our assessment of the fairness of the Olam Takeover Offer, setting out a graphical comparison of our valuation of a Namoi share prior to the Olam Takeover Offer on a controlling interest basis and consideration offered to the Shareholders under the Olam Takeover Offer.

Figure 1: Fairness of the Olam Takeover Offer



Source: BDOCF analysis

With reference to Table 1 and Figure 1, we note the Olam Takeover Offer cash consideration of \$0.70 per Namoi share is in our calculated valuation range for a Namoi share on a controlling interest basis.

1.4 Consideration of the Olam Takeover Offer in our Fairness Assessment

As mentioned previously, the consideration to be received by Shareholders under the Olam Takeover Offer is cash consideration of \$0.70 per Namoi share. This represents a premium of \$0.03 per Namoi share to the LDC Takeover Offer.

Notwithstanding the above, we note that the Olam Takeover Offer is still conditional and subject to the following:

- Minimum acceptance condition of 50.1%: Olam acquiring a relevant interest in at least 50.1% of all Namoi shares on a fully diluted basis;
- Foreign Investment Review Board ('FIRB') approval: Olam receiving approval from FIRB without conditions (or subject only to standard tax conditions), or FIRB ceasing to be empowered to make an order or decision in respect of the acquisition of the Namoi shares under the Olam Takeover Offer;
- ACCC clearance condition: ACCC confirming to Olam that it does not intend to oppose, intervene or seek to prevent the acquisition of Namoi shares under the Olam Takeover Offer; and
- Prescribed occurrences condition: none of the events listed in section 652C(1) or (2) of the *Corporations Act 2001* (Cth) ('Corporations Act') occurring during the bid period for the Olam Takeover Offer.

With regards to the above, we note the following:

- There is no guarantee that the Olam Takeover Offer conditions will be met; and
- There is limited guidance on when (if ever), the Olam Takeover Offer will become unconditional. Specifically, we note that:
 - On 20 June 2024 the ACCC released a 'Statement of Issues', identifying the preliminary competition concerns it has with Olam's proposed acquisition of all Namoi shares;
 - On 2 August 2024, the ACCC requested further information from Olam and the ACCC may seek further information on those issues before making its final decision; and
 - The provisional date for making its final decision in relation to the Olam Takeover Offer was previously 22 August 2024, however the ACCC has since announced that this has been delayed until at least 31 October 2023.

In comparison to the Olam Takeover Offer, the LDC Takeover Offer of \$0.67 per Namoi share is no longer subject to any conditions (following the ACCC Clearance Condition, the FIRB Condition, the 50.1% Minimum Acceptance Condition and the Prescribed Occurrences Condition (each as defined in the LDC Target's Statement) each being satisfied or freed). Resultantly, Shareholders that accept the LDC Takeover Offer (prior to its close at 7pm, 13 September 2024, unless extended), have certainty of receiving cash consideration of \$0.67 per Namoi share. As set out in the Supplementary Bidder's Statement, Shareholders who accept the LDC Takeover Offer will receive the cash consideration of \$0.67 per Namoi Share 10 business days after the later of:

- Receipt of their acceptance of the LDC Takeover Offer; or
- The date on which the LDC Takeover Offer became unconditional (which occurred on 4 September 2024).

If Shareholders do not sell their shares on the market or accept the LDC Takeover Offer (prior to its close), there is no certainty as to when another opportunity will arise to realise a value for their shares at or near the consideration of \$0.67 per Namoi share offered under the LDC Takeover Offer. For example, we note:

- There is no guarantee the Olam Takeover Offer will become unconditional;
- Even in the event the Olam Takeover Offer does become unconditional, there is uncertainty in relation to the timing of the payment and the timing will ultimately be driven by when the conditions precedent are met or, if able to be, waived. Shareholders who accept the Olam Takeover Offer will not be eligible to receive the cash consideration of \$0.70 per Namoi share until the Olam Takeover Offer becomes unconditional. Shareholders should consider their own cost of capital in assessing the opportunity costs associated with waiting;
- LDC have not indicated if they will extend the closure of the LDC Takeover Offer past 13 September 2024 for any Shareholder that has not accepted by that date; and
- The share price of Namoi may not remain at or near its close price of \$0.685 on 9 September 2024. In our view, the current Namoi share price is being heavily influenced by the LDC Takeover Offer and the Olam Takeover Offer. The closing share price of Namoi on 27 November 2023 (being the day immediately before Namoi announced it had received a non-binding indicative offer from LDC) was \$0.355. Without the LDC Takeover Offer and the Olam Takeover Offer, it is possible that the Namoi share price may return to the levels prior to the non-binding indicative offer being announced.

In Supplementary Disclosure 1, we concluded that the Olam Takeover Offer was superior (i.e. fair and reasonable). However, as at the date of Supplementary Disclosure 1, both the LDC Takeover Offer and the Olam Takeover Offer were subject to the same conditions, with the only variance between the offers being price (with the Olam Takeover Offer representing a \$0.03 per Namoi share premium to the LDC Takeover Offer).

However, based on the information available to us as at the date of this Supplementary Disclosure 3 including the LDC Takeover Offer becoming unconditional, we no longer consider the Olam Takeover Offer to be superior.

1.5 Fairness Conclusion

After considering the information summarised in the IER and this Supplementary Disclosure 3, it is our view that, in the absence of a superior offer or any additional information, the Olam Takeover Offer is **Not Fair** to the Shareholders as at the date of this Supplementary Disclosure 3.

The Shareholders should refer to Section 3 below in relation to additional considerations prior to accepting or rejecting the Olam Takeover Offer, including in relation to future offer announcements and the ability to sell Namoi shares separate to any offer, on the ASX.

2.0 Reasonableness Assessment of the Olam Takeover Offer

The LDC Takeover Offer assessed in the IER and the Olam Takeover Offer both involve cash consideration, with similar conditions (at the time of issuing the IER). Noting this, the information set out in Section 2.3 of the IER (titled 'Assessment of the Reasonableness') in relation to the original LDC Takeover Offer largely applies to the Olam Takeover Offer as well. This includes assessment of the reasonableness of the proposed transaction in light of an offer we consider superior being available to shareholders (as is the case with the Olam Takeover Offer where we currently consider the LDC Takeover Offer to be superior).

After considering the above additional information and other information available (as set out in the IER and other market announcements), it is our view that, in the absence of any other information, the Olam Takeover Offer is **Not Reasonable** as at the date of this Supplementary Disclosure 3.

3.0 Overall Opinion on the Olam Takeover Offer

After considering the above assessments, it is our view that, in the absence of any other information, the Olam Takeover Offer is **Not Fair and Not Reasonable** to the Shareholders as at the date of this Report. We reiterate that while the Olam Takeover Offer is within our valuation range and represents a \$0.03 per share premium to the LDC Takeover Offer, we consider the unconditional LDC Takeover Offer to be the superior proposal.

Notwithstanding this, we reiterate that there was a competitive bidding process between LDC and Olam (potentially still ongoing as at the date of this Supplementary Disclosure 3) that led to the cash consideration under the LDC Takeover Offer and Olam Takeover Offer. As at the date of this Supplementary Disclosure 3, the LDC Takeover Offer is considered superior to the Olam Takeover Offer (for the reasons set out in Section 1.4 above). Before making a decision to accept the LDC Takeover Offer or the Olam Takeover Offer, Shareholders should consider the likelihood of higher offers eventuating. Shareholders should also consider that as the LDC Takeover Offer is now unconditional, they will not be able to withdraw their acceptance (i.e. have the opportunity to accept a higher offer, if one were to eventuate) unless a withdrawal right exists or arises under the Corporations Act.

It may also be possible, assuming sufficient liquidity, for the Shareholders to sell their shares on the ASX for a price that is above, or broadly in line with, the LDC Takeover Offer and Olam Takeover Offer price. By way of example, from 4 September 2024 (being the date the LDC Takeover Offer became unconditional) to 9 September 2024, Namoi shares have traded in the range of \$0.680 to \$0.695.

4.0 Other Important Information

Before forming a view on whether to accept or reject the Olam Takeover Offer, the Shareholders must:

- Have regard to the information set out in this Supplementary Disclosure 3, the IER (including the Important Information set out in Section 3 of the IER) and other market announcements, before deciding whether to accept or reject the Olam Takeover Offer. This Supplementary Disclosure 3 should be read in conjunction with the IER (in full) dated 20 May 2024 included as Annexure A to the Target's Statement dated 22 May 2024 prepared by Namoi in relation to the LDC Takeover Offer. In particular, all limitations, disclaimers and declarations set out in that IER apply in full to this Supplementary Disclosure 3;
- Consult their own professional advisers; and
- Consider their specific circumstances.

This letter is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Shareholders. Accordingly, before acting in relation to their investment, the Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should also read the Supplementary Target's Statement issued by Namoi in relation to the Olam Takeover Offer and the supplementary Target's Statement issued by Namoi on or around 11 September 2024 in relation to the LDC Takeover Offer.

The decision whether to accept or reject the Olam Takeover Offer is a matter for individual Shareholders, based on their own views as to value and business strategy, their expectations about future economic and market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Olam Takeover Offer should consult their own professional adviser. BDOCF has prepared a Financial Services Guide as required by the *Corporations Act 2001* (Cth) ('Corporations Act'). The Financial Services Guide is included as Appendix A to this letter.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Scott Birkett
Director

APPENDIX A - FINANCIAL SERVICES GUIDE

Dated: 10 September 2024

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act and includes important information regarding the general financial product advice contained in the IER, Supplementary Disclosure 1, Supplementary Disclosure 2 and this Supplementary Disclosure 3 ('the BDO Documents'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

The BDO Documents set out what is described as general financial product advice. The BDO Documents do not consider personal objectives, individual financial position or needs and therefore do not represent personal financial product advice. Consequently, any person using the BDO Documents must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide the BDO Documents.

The BDO Documents provide an opinion on whether or not each of the LDC Takeover Offer and the Olam Takeover Offer are 'fair and reasonable' to the Shareholders and have been prepared to provide information to the Shareholders to assist them to make an informed decision on whether to accept or reject each of the offers. Other important information relating to the BDO Documents is set out in more detail in Section 3 of the IER and Section 4 of this Supplementary Disclosure 3.

The BDO Documents cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A Shareholder's decision to accept or reject either the LDC Takeover Offer or the Olam Takeover Offer is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each Shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of the BDO Documents will be approximately \$160,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for the BDO Documents are not contingent on the outcome of the Offer.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the BDO Documents.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDOCF has previously provided professional services to Namoi to assist with independent valuations for financial reporting



purposes (including the valuation of performance rights) and determining an appropriate weighted average cost of capital for impairment testing. Related entities of BDOCF have provided professional services including BDO Services Pty Ltd providing internal audit services.

The signatories to the BDO Documents do not hold any shares in Namoi and no such shares have ever been held by the signatories.

To prepare our reports, including the BDO Documents, we may use researched information provided by research facilities to which we subscribe, or which are publicly available. Reference has been made to the sources of information in the BDO Documents, where applicable. Research fees are not included in the fee details provided in the BDO Documents.

Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

Referral to External Dispute Resolution Scheme

BDOCF is a member of the Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: <http://www.afca.org.au>
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	