

ASX Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by Namoi Cotton Limited (ACN 010 485 588) (ASX Code: NAM) ("**Namoi Cotton**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("**Corporations Act**").

Namoi Cotton refers to its announcement today regarding the underwritten renounceable pro rata entitlement offer, with rights trading ("**Entitlement Offer**") of 1 ordinary fully paid shares in Namoi Cotton ("**New Shares**") for every 5.25 Namoi Cotton ordinary shares held as at 7.00pm (Sydney time) on 27 September 2022 by shareholders with a registered address in Australia and New Zealand (and certain institutional investors in Singapore and Hong Kong) to raise approximately \$14.1 million.

An Entitlement Information Booklet for the Entitlement Offer is expected to be dispatched to eligible shareholders on 30 September 2022.

Namoi Cotton confirms that:

- 1 It will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
- 2 This notice is being given under section 708AA(2)(f) of the Corporations Act.
- 3 As at the date of this notice Namoi Cotton has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Namoi Cotton; and
 - (b) section 674 and 674A of the Corporations Act.
- 4 As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) that is required to be set out in this notice under section 708AA(7) of the Corporations Act.
- 5 The potential effect the Entitlement Offer will have on control of Namoi Cotton and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, it is not expected that the issue of the New Shares under the Entitlement Offer will have any material effect or

consequence on the control of Namoi Cotton. Further detail in this regard is set out below.

Morgans Corporate Limited (ACN 010 539 607) will underwrite 100% of the Entitlement Offer. Namoi Cotton's largest shareholder, Samuel Terry Asset Management Pty Ltd (ACN 108 611 785) in its capacity as trustee for Samuel Terry Absolute Return Fund has confirmed that it will subscribe for its pro-rata share of the Entitlement Offer and its capacity as trustee for Samuel Terry Absolute Return Active Fund (together **STAM**) has provided a commitment to sub-underwrite up to approximately \$4.8m across the Offer (**STAM Sub-Underwrite**). Namoi Cotton's second largest shareholder, Louis Dreyfus Company Asia Pte Ltd (**LDCA**) has confirmed that it will subscribe for its pro-rata share of the Entitlement Offer and has provided a commitment to sub-underwrite up to approximately \$4.8m across the Offer (**LDCA Sub-Underwrite**).

The STAM Sub-Underwrite may result in STAM increasing its shareholding in Namoi Cotton from approximately 20.5% to up to a maximum of approximately 26%. The LDCA Sub-Underwrite may result in LDCA increasing its shareholding in Namoi Cotton from approximately 11.4% to up to a maximum of approximately 16.8%. However this depends upon the level of participation by other eligible shareholders and investors in the Entitlement Offer.

The potential effect that the Entitlement Offer will have on the control of Namoi Cotton is as follows:

- if all eligible shareholders take up their full entitlement under the Entitlement Offer, there will be no material effect on the control of Namoi Cotton and those existing shareholders will not be diluted as they will continue to hold the same percentage interest in Namoi Cotton;
- to the extent that any eligible shareholder fails to take up their entitlement under the Entitlement Offer, that eligible shareholder's percentage holding in Namoi Cotton will be diluted by the issue of New Shares to those who did take up their full entitlement, those who did take up their full entitlement and applied for an additional amount of New Shares over and above their Entitlement up to a maximum cap of \$30,000 worth of additional New Shares (**Oversubscription Facility**), and to the Underwriter or the sub-underwriters as set out below;
- the percentage holding in Namoi Cotton shares of shareholders who are ineligible to participate in the Entitlement Offer, will be diluted as a result of the issue of New Shares; and
- to the extent that any entitlements lapse or are otherwise not taken up (including as a result of the Oversubscription Facility), these New Shares may be subscribed for by the Underwriter or the sub-underwriters, STAM and LDC, who have committed to the STAM Sub-Underwrite and LDCA Sub-Underwrite respectively, which could result in STAM and LDCA potentially increasing their shareholdings in Namoi Cotton to a maximum of approximately 26% and 16.8% respectively.

Although the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may result in an increase in the voting power in Namoi Cotton of the sub-underwriters of the Entitlement Offer, it is not expected that such issue of New Shares will have a material effect on the control of Namoi Cotton.

Following the completion of the Entitlement Offer Mr James Davies of STAM will be appointed to the Namoi Cotton board of directors.

Authorised for release by Namoi Cotton's Board of Directors.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SR' or similar initials, written in a cursive style.

Sonya Ryan
Chief Financial Officer and Company Secretary