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**ENTITLEMENT OFFER – DISPATCH OF LETTER TO INELIGIBLE SHAREHOLDERS
NAMOI COTTON LIMITED (ASX: NAM)**

Namoi Cotton Limited ('Namoi') announced on 21 September 2022 a fully underwritten¹ renounceable pro-rata entitlement offer ('Entitlement Offer'). The Entitlement Offer opens on 30 September 2022 and closes at 5pm 28 October 2022 ('Offer Period').

Attached is a letter which will be sent today to ineligible shareholders in connection with the Entitlement Offer, either by email, where shareholders have elected to receive electronic communications, or otherwise by post.

Shareholders can call the Namoi Offer Information Line on 1300 521 168 (within Australia) or +61 3 9415 4634 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the Offer Period for more information.

This announcement was approved and authorised for release by the Board of Namoi Cotton Ltd.

For further information, please contact:

Namoi Cotton Limited
John Stevenson
Chief Executive Officer
(07) 4631-6100

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¹ Refer to the summary at slide 8 of the Investor Presentation released to the market on 21 September 2022 under the heading 'Underwriting' for further information.



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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

30 September 2022

Dear Shareholder,

Renounceable Entitlement Offer – Letter to Ineligible Shareholders

On Wednesday, 21 September 2022, Namoi Cotton Limited (ACN 010 485 588) (**Namoi**) announced a renounceable pro rata entitlement offer of new ordinary shares in Namoi (**New Shares**) (with entitlements trading) to raise up to approximately \$14.1 million (before costs) (**Entitlement Offer**). The offer price is \$0.43 per New Share (**Offer Price**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

The Entitlement Offer and use of proceeds

The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Act**) (as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), meaning that the Entitlement Offer is not being conducted by way of a prospectus.

The proceeds from the Entitlement Offer will enable Namoi to:

- fund Namoi's equity investment in Kimberley Cotton Company Limited (**KCC**) and in KCC's project to build and operate a new cotton gin at Kununurra in Western Australia (together the **KCC Investment**), to broaden Namoi's business and ginning footprint; and
- reduce debt, to strengthen Namoi's balance sheet to manage variable seasonal conditions.

Details of the Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders on the basis of 1 New Share for every 5.25 existing Namoi ordinary shares (**Entitlement**) held as at 7.00pm (Sydney time) on Tuesday, 27 September 2022 (**Record Date**).

Eligible Shareholders who take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement at the Offer Price of \$0.43, up to a maximum cap of \$30,000 worth of additional New Shares (**Oversubscription Facility**). The allocation of additional New Shares will be subject to the availability of New Shares under the Entitlement Offer. Applications made in relation to the Oversubscription Facility may be subject to scale back, at the discretion of the Board, if Eligible Shareholders apply for more additional New Shares than available under the Oversubscription Facility.



Namoi's two largest existing shareholders, Samuel Terry Asset Management Pty Ltd (**STAM**) (as trustee for Samuel Terry Absolute Return Fund in relation to participation in the Entitlement Offer and as trustee for Samuel Terry Absolute Return Active Fund in relation to the sub-underwriting) and Louis Dreyfus Company Asia Pte Ltd (**LDCA**) have entered agreements to take up their full Entitlement and equally to sub-underwrite any shortfall arising from the Entitlement Offer, up to the value of approximately \$9.6 million (exclusive of their Entitlements), or approximately \$4.8 million each.¹

New Shares issued under the Entitlement Offer will rank equally with existing Namoi shares in all respects. An offer booklet in relation to the Entitlement Offer (**Entitlement and Information Booklet**) has been released on the Australian Securities Exchange (**ASX**) and will be despatched to Eligible Shareholders (as defined below) on or around Friday, 30 September 2022.

Eligibility criteria

Eligible Shareholders are those persons who are a holder of existing Namoi ordinary shares as at 7.00pm (Sydney time) on the Record Date and who:

- have a registered address on the Namoi share register in Australia or New Zealand (or in respect to certain Institutional Investors only, have a registered address in Hong Kong or Singapore);
- are not in the United States and are not acting (including as nominee or custodian) for the account or benefit of a person in the United States (to the extent such persons hold Shares for the account or benefit of a person in the United States); and
- are eligible under all applicable securities laws to receive an Entitlement under the Entitlement Offer without any requirement for a prospectus to be lodged or registered².

Institutional Investors are persons to whom offers of securities may be made lawfully without the need for disclosure under Part 6D.2 of the Corporations Act and without the need for a prospectus or other disclosure document or any other lodgement or regulatory filing with any government agency in Australia, New Zealand, Hong Kong or Singapore.

Namoi has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), that on this occasion it is unreasonable to make an offer of Entitlements and New Shares to Institutional Investors with registered addresses outside Australia, Hong Kong, New Zealand or Singapore, or to any other Shareholders with registered addresses outside Australia and New Zealand (**Ineligible Shareholders**).

This is due to the legal and regulatory requirements in those other countries and the potential costs to Namoi of complying with these legal and regulatory requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing Namoi ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Namoi reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder. Shareholders who are not Eligible Shareholders are Ineligible Shareholders and are consequently unable to participate in the Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by Namoi with reference to a number of matters. Namoi and each of its affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, consultants, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you **do not satisfy the eligibility criteria** for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section



9A(3)(b) of the Act, Namoi wishes to advise you that it **will not** be extending the Entitlement Offer to you and you will **not** be able to subscribe for New Shares under the Entitlement Offer. You will **not** be sent the documents relating to the Entitlement Offer.

Treatment of Ineligible Shareholder Entitlements

Ineligible Shareholders are not entitled to participate in the Entitlement Offer, or to trade or exercise Entitlements to be issued New Shares under the Entitlement Offer.

However, as the Entitlement Offer is renounceable, you may receive value for Entitlements you would have received had you been eligible to participate in the Entitlement Offer. Arrangements have been made for the Entitlements that would otherwise have been offered to Ineligible Shareholders to be sold, for their benefit, after Friday, 28 October 2022 by a nominee appointed by Namoi. You will receive any proceeds in excess of the Offer Price in respect of each Entitlement to subscribe for New Shares sold that you would have received under the Entitlement Offer if you were eligible to participate, net of any applicable withholding taxes and expenses.³ However, there is no guarantee that you will receive any value for the Entitlements you would have received had you been eligible to participate in the Entitlement Offer. If the net proceeds of sale (after deduction of withholding tax and expenses) are less than the reasonable costs that would be incurred by Namoi for distributing those proceeds, those proceeds may be retained by Namoi. Additionally, you may receive no net proceeds if the costs of the sale are greater than the sale proceeds. Namoi does not take any responsibility for the outcome of the sale of those Entitlements.

Any proceeds received by you may have Australian and overseas tax consequences, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

The Entitlements of Eligible Shareholders will be tradeable on ASX. The assignment, transfer and exercise of Entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States will not be eligible to purchase or trade Entitlements or to exercise Entitlements they acquire. If you buy Entitlements during the trading period, but you do not meet the eligibility criteria, you will not be able to take up or exercise those Entitlements and, as a result, you may receive no value for them.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Shareholder, you can contact the Namoi Offer Information Line on 1300 521 168 (within Australia) or +61 3 9415 4634 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the offer period (the period commencing Friday 30 September 2022 and ending on Friday 28 October 2022) if you have any questions about the details of the Entitlement Offer. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Namoi, we regret that you are not eligible to participate in the Entitlement Offer and I thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'SR' or similar initials, written over a light blue horizontal line.

Sonya Ryan
Company Secretary
Namoi Cotton Limited



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Important Information:

This letter is issued by Namoi Cotton Limited (ACN 010 485 588) (**Namoi**). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Namoi in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Namoi ordinary shares.

The determination of eligibility of investors for the purpose of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Namoi. Namoi and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. In particular, the New Shares and the Entitlements have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or under any US state securities laws. The New Shares and the Entitlements may only be offered and sold in the United States in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. Accordingly, the New Shares and the Entitlements are only being offered and sold in "offshore transactions" in compliance with Regulation S under the US Securities Act.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Please read the Entitlement and Information Booklet, and if you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States, or persons acting for the account or benefit of persons in the United States, or to any person in any other jurisdiction where it would be illegal. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

¹ Any shortfall securities not taken up by Eligible Shareholders (including after the allocation of securities through the Oversubscription Facility) will be allocated to the underwriter and in turn to STAM and LDCA, who have committed to sub-underwrite the Entitlement Offer.

² Provided that, if the relevant shareholder is a nominee, they were only an Eligible Shareholder to the extent that they held shares for beneficiaries who would have been Eligible Shareholders, had they held the shares themselves.

³ In compliance with ASX Listing Rule 7.7.1(c) and section 9A(3)(c) of the Act.