



**Dated** 06 June **2023**

**ASSOCIATED BRITISH FOODS PLC**  
**NATIONAL MILK RECORDS PLC**

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**CO-OPERATION  
AGREEMENT**

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This Co-operation Agreement is made on

06 June 2023

## Between

- (1) **Associated British Foods plc**, a public limited company incorporated in England and Wales with registered number 00293262, whose registered office is at Weston Centre, 10 Grosvenor Street, London W1K 4QY (**ABF**); and
- (2) **National Milk Records plc**, a public limited company incorporated in England and Wales with registered number 03331929, whose registered office is at Greenways Business Park, Fox Talbot House, Chippenham, Wiltshire, SN15 1BN (**NMR**).

## Whereas

- (A) ABF is to announce immediately following execution of this Agreement a firm intention to make a recommended offer for NMR under Rule 2.7 of the Code, pursuant to which offer AB Agri will acquire the entire issued and to be issued share capital of NMR.
- (B) The Acquisition will be made on the terms and subject to the conditions set out in the Announcement and this Agreement.
- (C) The parties intend that the Acquisition will be implemented by way of the Scheme, although ABF reserves the right, subject to the terms and conditions of this Agreement and the Announcement, to implement the Acquisition by way of a Takeover Offer.
- (D) The parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Acquisition (whether by way of the Scheme or a Takeover Offer).

## It is agreed

### 1 Definitions and Interpretation

- 1.1 In this Agreement (including the recitals but excluding Schedule 1), unless the context otherwise requires, the following terms and expressions shall have the meanings set opposite them. Terms and expressions used in Schedule 1 will have the meanings given to them in Schedule 1:

**AB Agri** means AB Agri Limited, an indirect subsidiary of ABF with registered number 00193800, whose registered office is at Weston Centre, 10 Grosvenor Street, London W1K 4QY, which will acquire the NMR Shares pursuant to the Acquisition;

**ABF Group** means ABF and its subsidiaries and subsidiary undertakings from time to time (including AB Agri) and “**member of the ABF Group**” shall be construed accordingly;

**ABF Responsible Persons** means the directors of ABF;

**Acceptance Condition** means the acceptance condition to any Takeover Offer;

**Acquisition** means the proposed acquisition of the entire issued and to be issued share capital of NMR by AB Agri, to be effected by way of:

- (a) the Scheme; or
- (b) a Takeover Offer (as the case may be);

**Acquisition Document** means

- (a) if the Scheme is (or is to be) implemented, the Scheme Document; or
- (b) if a Takeover Offer is (or is to be) implemented, the Offer Document;

**Announcement** means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 1;

**Aquis Exchange** means the multilateral trading facility operated by Aquis Stock Exchange Limited that is registered as a SME Growth Market in accordance with article 33 of Directive 2014/65/EU, as amended from time to time, known as MiFID;

**Business Day** means a day (other than Saturdays, Sundays and public holidays in England) on which banks are open for business in London;

**Clearances** means any approvals, consents, clearances, determinations, permissions, confirmations, comfort letters and waivers that may need to be obtained, all applications and filings that may need to be made and all waiting periods that may need to have expired, from or under any of the Laws, regulations or practices applied by any Regulatory Authority (or under any agreements or arrangements to which any Regulatory Authority is a party), in each case as is necessary and/or (following consultation between the parties) expedient in order for one or more of the Regulatory Conditions to be satisfied and any reference to any Clearance having been '**satisfied**' shall be construed as meaning that the foregoing has been obtained, or where relevant, made or in respect of which any waiting period has expired;

**CMA** means the UK Competition and Markets Authority;

**Code** means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

**Companies Act** means the Companies Act 2006;

**Competing Proposal** means:

- (a) an offer (including a partial offer, exchange or tender offer and any revised offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a possible offer or firm intention to make an offer to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued and to be issued ordinary share capital of NMR (when aggregated with the shares already held by the acquirer and any person acting or presumed or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of NMR (in each case, whether or not subject to the satisfaction of waiver of any pre-conditions);
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the NMR Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the NMR Group calculated by reference to any of its revenue, profits or value taken as a whole; or

- (d) any other transaction which would be substantially alternative to, or inconsistent with, or would otherwise be reasonably likely to materially preclude, impede or delay or otherwise prejudice the implementation of the Acquisition (including, for the avoidance of doubt, any transaction or arrangement undertaken by NMR which would constitute a reverse takeover or a disposal resulting in a fundamental change to the business of NMR, in each case as defined in the AQSE Growth Market Apex Rulebook), excluding any transaction or potential transaction notified in writing to ABF by NMR prior to the date of this Agreement,

in each case which is not effected by ABF (or a person acting in concert with ABF) or at ABF's direction or with ABF's agreement, and in each case, whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

**Conditions** means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to the Announcement and to be set out in the Acquisition Document; and
- (b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the terms and conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition,

and **Condition** shall be construed accordingly;

**Confidentiality Agreement** means the confidentiality agreement between ABF and NMR in relation to the Acquisition;

**Costs** means losses, damages, costs (including reasonable legal costs) and expenses (including taxation), in each case of any nature whatsoever;

**Court** means the High Court of Justice in England and Wales;

**Court Hearing** means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order;

**Court Hearing Date** means the date upon which the Court Hearing is held;

**Court Meeting** means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit approving the Scheme, including any adjournment postponement or reconvening thereof;

**Court Order** means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act;

**Effective Date** means:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if ABF elects to implement the Acquisition by means of a Takeover Offer, the date that the Takeover Offer becomes or is declared unconditional in all respects;

**FCA** means the UK Financial Conduct Authority or its successor from time to time;

**Group** means, in relation to any person, that person and any subsidiaries or subsidiary undertakings of that person;

**Law** means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Regulatory Authority, or any judicial or administrative interpretation thereof;

**Longstop Date** means 29 February 2024, or such later date (if any) as ABF and NMR may agree in writing and (if required) the Panel and the Court may allow;

**NMR Approved Share Option Plan** means the National Milk Records plc HMRC-Approved Company Share Option Plan, as adopted by the NMR Board on 12 August 2010;

**NMR Board** means the board of directors of NMR from time to time;

**NMR Bonus Plan** means the National Milk Records plc Executive Bonus Plan 2021, as adopted by the NMR Board on 10 December 2020;

**NMR Director Adverse Recommendation Change** means:

- (a) if NMR makes an announcement prior to the publication of the Scheme Document that:
  - (i) the NMR Directors no longer intend to make the NMR Director Recommendation or intend to adversely modify or adversely qualify such recommendation; (ii) (other than where a Switch has occurred) it will not convene the Court Meeting or the NMR General Meeting; or (iii) (other than where a Switch has occurred) it intends not to post the Scheme Document or (if different) the document convening the NMR General Meeting;
- (b) if NMR makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting or the NMR General Meeting to a date which is later than the latest date permitted by Condition 2(ii) or Condition 3(ii) respectively, in each case without the consent of ABF, except where such delay or adjournment is solely caused by logistical or practical reasons beyond NMR's reasonable control;
- (c) (other than where a Switch has occurred) the NMR Director Recommendation is not included in the Scheme Document;
- (d) the NMR Directors publicly withdraw or adversely modify or adversely qualify the NMR Director Recommendation, provided that the parties agree that the issuance of: (i) any holding statement(s) by NMR following a change of circumstances and (ii) any announcement(s) by NMR that the NMR Directors are considering a possible offer for NMR, shall not, in either case, constitute an NMR Director Adverse Recommendation Change unless NMR fails to announce, within ten Business Days of the relevant statement or announcement, its reconfirmation of the NMR Director Recommendation;
- (e) the NMR Directors announce the entry into by NMR of any transaction which would constitute: (i) a reverse takeover of NMR (as defined in the Code); or (ii) except where ABF has given prior written consent to such transaction, a disposal resulting in a fundamental change to the business of NMR, as defined in the AQSE Growth Market Apex Rulebook; or
- (f) if, after the passing of the Resolutions, the NMR Directors announce that they will not implement the Scheme (other than: (i) in connection with an announcement of an offer

or revised offer by ABF for NMR; or (ii) because a Condition to the Transaction has failed or become incapable of fulfilment),

provided that, for the avoidance of doubt, the issue of any holding statement by NMR following a change of circumstances shall not constitute a NMR Director Adverse Recommendation Change if such holding statement does not contain a statement that the NMR Directors intend to withdraw, modify or qualify the NMR Director Recommendation;

**NMR Directors** means the directors of NMR from time to time;

**NMR Director Recommendation** means a unanimous and unqualified recommendation from the NMR Directors to NMR Shareholders in respect of the Acquisition:

- (a) to vote in favour of the NMR Resolutions; or
- (b) if ABF elects to implement the Acquisition by means of a Takeover Offer, to accept the Takeover Offer;

**NMR Executive Plan** means the National Milk Records plc Executive Incentive Plan 2022-24, as adopted by the NMR Board on 23 December 2021;

**NMR General Meeting** means the general meeting of NMR to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving the NMR Resolutions, notice of which will be set out in the Scheme Document, including any adjournment thereof;

**NMR Group** means NMR and any subsidiaries or subsidiary undertakings of NMR;

**NMR Remuneration Committee** means the remuneration committee of the NMR Board;

**NMR Representative** has meaning given to it in clause 10.3;

**NMR Resolutions** means such shareholder resolutions of NMR as are necessary to approve, implement and effect the Scheme and the Acquisition and related changes to NMR's articles of association;

**NMR Share Plans** means the NMR Executive Plan, the NMR Bonus Plan, the NMR Approved Share Option Plan, the NMR Unapproved Share Option Plan and the NMR SIP;

**NMR Shareholders** means the holders of NMR Shares from time to time;

**NMR Shares** means the ordinary shares of 0.25 pence each in the capital of NMR from time to time;

**NMR SIP** means the National Milk Records plc Share Incentive Plan, as adopted by the NMR Board on 30 April 2004;

**NMR Unapproved Share Option Plan** means the National Milk Records plc 2017 Unapproved Share Option Plan, as adopted by the NMR Board on 18 December 2017;

**Offer Document** means, if (following the date of this Agreement) ABF elects to implement the Acquisition by way of a Takeover Offer, the document to be sent to (among others) NMR Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer (and including, as the context requires, any revised offer document);

**Panel** means the UK Panel on Takeovers and Mergers;

**Regulatory Conditions** means the Conditions set out in paragraphs 5 and 8 (inclusive) of Appendix 1 to the Announcement;

**Regulatory Information Service** means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

**Regulatory Authority** means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational antitrust, competition or merger control authority, any sectoral ministry or regulator and foreign or national security investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction;

**Scheme** means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between NMR and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by NMR and ABF;

**Scheme Conditions** means the Conditions referred to in paragraphs 1 to 4 (inclusive) of Appendix 1 to the Announcement;

**Scheme Document** means the document to be sent to (among others) NMR Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the NMR General Meeting;

**Scheme Hearing** means the hearing of the Court to sanction the Scheme;

**Scheme Record Time** has the meaning that is given to that term in the Scheme Document;

**Scheme Shareholders** means the holders of the Scheme Shares;

**Scheme Shares** has the meaning given in the Announcement;

**Switch** means a decision by ABF, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer rather than the Scheme;

**Takeover Offer** means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of ABF to acquire the entire issued and to be issued share capital of NMR on the terms and conditions to be set out in the Announcement and the Offer Document;

**UK or United Kingdom** means the United Kingdom of Great Britain and Northern Ireland; and

**Working Hours** means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day.

1.2 In this Agreement (except where the context otherwise requires) references to:

- (a) **subsidiary** and **subsidiary undertaking** have the meanings given in the Companies Act;
- (b) **acting in concert** and **concert parties** shall be construed in accordance with the Code;



- (c) **interests in securities** or **interests in shares** shall be construed in accordance with the Code;
- (d) **procure** or a procurement obligation shall include, without limitation, enforcing contractual rights against the person whose actions are being procured;
- (e) any of the masculine, feminine and neuter genders shall include other genders;
- (f) the singular shall include the plural and vice versa;
- (g) a **person** shall include a reference to any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (h) a specific provision of any Law shall include any instrument, order, regulation or direction made or issued under it and shall be construed so as to include a reference to the same as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted and any other Law which that Law or provision re-enacts, in each case for the time being in force on or after the date of this Agreement except to the extent that any amendment or modification made after today's date would increase any liability or impose any additional obligation under this Agreement;
- (i) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
- (j) any time or date shall be construed as a reference to the time or date prevailing in England;
- (k) a **day** (including within the phrase "Business Day") shall mean a period of 24 hours running from midnight to midnight;
- (l) a reference to "**includes**" or "**including**" shall mean "includes without limitation" or "including without limitation", respectively;
- (m) the phrases "**to the extent**" and "**to the extent that**" are used to indicate an element of degree and are not synonymous with the word "if";
- (n) **£, GBP, pounds sterling, Sterling, pence** and **p** are references to the lawful currency from time to time of the United Kingdom;
- (o) any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
- (p) this Agreement include this Agreement as amended or supplemented in accordance with its terms.

1.3 The headings in this Agreement are for convenience only and shall not affect its meaning. References to a clause, Schedule or paragraph are (unless otherwise stated) to a clause of and Schedule to this Agreement and to a paragraph of the relevant Schedule. The Schedules form

part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

- 1.4 In construing this Agreement, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

## **2 Publication of the Announcement and the Terms of the Acquisition**

- 2.1 The obligations of the parties under this Agreement, other than clause 1, this clause 2.1 and clauses 9 to 16 (inclusive) and 18 to 22 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 5.30pm on the date of this Agreement or such later time and date as the parties may agree (and, where required by the Code, the Panel may approve). Clause 1, this clause 2.1 and clauses 9 to 16 (inclusive) and 18 to 22 (inclusive) shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an increase in the cash consideration to be paid to NMR Shareholders under the terms of the Acquisition, which will be at the absolute discretion of ABF) and, where required by the Code, approved by the Panel. The terms of the Acquisition at the date of publication of the Acquisition Document shall be set out in the Acquisition Document.

## **3 Clearances**

- 3.1 ABF undertakes to work co-operatively and reasonably with NMR and its advisers to satisfy the Regulatory Conditions and to take such actions in respect of the Regulatory Conditions and certain other regulatory matters as soon as reasonably practicable following the date of this Agreement, and in particular:
- (a) to make such submissions, filings or notifications (including in draft where applicable) with the relevant Regulatory Authority as are necessary or expedient for the implementation of the Acquisition (including for the avoidance of doubt a briefing paper to the CMA) in each case as promptly as practicable; and
  - (b) to provide as promptly as practicable such information as the relevant Regulatory Authority may reasonably require for the purposes of making a submission, filing or notification to any Regulatory Authority.
- 3.2 Each party undertakes to co-operate with the other party in relation to the Clearances and each party, subject to clause 3.9 and 3.10 below, undertakes to use all reasonable endeavours to secure or to assist to secure (as the case may be) the Clearances as soon as reasonably practicable following the date of this Agreement and in any event in sufficient time to enable the Effective Date to occur by the Longstop Date.
- 3.3 Except where otherwise required by Law or a Regulatory Authority, ABF shall be responsible for the payment of all filing fees required in connection with the Clearances.
- 3.4 Save to the extent prohibited by Law or the Regulatory Authority:

- (a) NMR undertakes to ABF that it shall provide as soon as reasonably practicable, following any request for the same, such information and assistance as may be reasonably required for:
  - (i) ABF to determine, in consultation with NMR, in which jurisdictions any regulatory or other filing, notification or submission with a Regulatory Authority may be necessary or expedient for the purposes of obtaining the Clearances;
  - (ii) any filings, notifications or submissions that ABF (acting reasonably and having consulted NMR) considers are necessary to be made to the Regulatory Authorities in connection with the obtaining of the Clearances, taking into account all applicable waiting periods, or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
  - (iii) all such other assistance as may reasonably be required for the purposes of obtaining the Clearances (including assistance in connection with such pre-notification contacts with the Regulatory Authorities as ABF and NMR agree (each acting reasonably) are desirable or appropriate in the circumstances); and
- (b) each party undertakes to the other to ensure that all information necessary for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions necessary for the purpose of obtaining the Clearances) or that is otherwise required for the purposes of obtaining the Clearances, and that is in the possession of, or is reasonably obtainable by such party (including from third parties through the reasonable exercise of contractual rights) is supplied accurately and as promptly as reasonably practicable.

3.5 For the purposes of clause 3.4, the parties acknowledge that:

- (a) a party shall not be in breach of clause 3.4 as a consequence of any inaccuracies in any information originating from a third party (being a person other than a member, officer or employee of the party's Group);
- (b) such information and assistance will be supplied in a manner reasonably designed to preserve applicable legal professional privilege; and
- (c) the provision of information is subject to clause 3.9.

3.6 Except to the extent that to do so is prohibited by Law and subject to clause 3.9:

- (a) ABF (or, if required by applicable Law or a Regulatory Authority, NMR or NMR and ABF jointly) shall submit any draft filing, filing, notification or submission (as required) to each Regulatory Authority in connection with obtaining the Clearances, subject to each party complying in full with the obligation in clause 3.6(b), as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time period where it is necessary or expedient to do so to obtain the Clearances, taking into account all applicable waiting periods;
- (b) each party shall provide in a timely manner such cooperation as is reasonably required by the other party in connection with the preparation of all such filings, notifications or submissions (as required) referred to in clause 3.6(a) and in relation to the preparation of any other submissions, material correspondence or material communications to any

Regulatory Authority in connection with the Clearances (including at the pre-notification stage);

- (c) each party shall provide, or procure the provision of, draft copies of all notifications, filings, submissions, material correspondence and material communications (including, in the case of material non-written communications, reasonably detailed summaries of such communications) intended to be sent or communicated to any Regulatory Authority in relation to obtaining any Clearances (including at the pre-notification stage) to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, notifications, submissions, material correspondence and material communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of material non-written communications, reasonably detailed summaries of such communications);
- (d) each party shall have regard in good faith to comments made in a timely manner by the other party on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to clause 3.6(c);
- (e) each party shall notify the other party, and provide copies (including, in the case of material non-written communications, reasonably detailed summaries of such communications), in a timely manner of any material correspondence or material communication received from any Regulatory Authority in relation to obtaining any Clearance (including at the pre-notification stage);
- (f) each party shall keep the other party reasonably informed as to the progress of any filing, notification and submission submitted pursuant to clause 3.6(a) and will reasonably consider requests by the other party and/or its advisers:
  - (i) to attend any meeting or material call with any Regulatory Authority or other persons or bodies (unless prohibited by the Regulatory Authority, Law or other person or body) relating to obtaining any Clearance (including at the pre-notification stage); and
  - (ii) to make reasonable oral submissions at any such meeting or call; and
- (g) where reasonably requested by a party, and insofar as permitted by the Regulatory Authority, the other party shall make available appropriate representatives for meetings and calls with any Regulatory Authority in connection with the obtaining of any Clearances (including at the pre-notification stage).

3.7 Each party undertakes to keep the other party informed as soon as reasonably practicable of:

- (a) developments which are material or reasonably likely to be material to the obtaining of a Clearance; and
- (b) the satisfaction or waiver of the Regulatory Conditions.

3.8 Each party undertakes not to withdraw a filing, submission or notification made to any Regulatory Authority in connection with obtaining a Clearance without first notifying the other party in advance and seeking input from that other party, such input to be reasonably taken into account before withdrawing the filing, submission or notification.

- 3.9 If a provision of this Agreement obliges a party (the **disclosing party**) to disclose any information to the other:
- (a) that is personally identifiable information of a director, partner, officer or employee of the disclosing party or any member of its Group or any of their respective affiliates, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
  - (b) which the disclosing party reasonably considers to be commercially or competitively sensitive;
  - (c) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or
  - (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall, to the extent permitted by Law, disclose the relevant information:

- (i) to the other party pursuant to appropriate arrangements as may be agreed between the parties to ensure compliance with Law (including, as applicable, competition Law and the practices of any Regulatory Authority);
  - (ii) to the other party's legal counsel and, to the extent reasonably necessary in connection with any competition Clearance, its other advisers on an "external counsel only" basis (where applicable, in accordance with the requirements of Practice Statement No 30 published by the Panel); or
  - (iii) where disclosure in a manner contemplated by this Agreement would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to a Regulatory Authority (and in such circumstances, the disclosing party shall to the extent reasonably practicable provide, or procure the provision of, to the other party a redacted version of such information).
- 3.10 For the avoidance of doubt, to the extent that NMR provides ABF with any information, assistance and/or access to NMR's senior management for the purposes of preparing for the integration of the businesses of the ABF Group and the NMR Group (which NMR is under no obligation to provide), any competitively sensitive information shall be provided on an "external counsel basis" only.
- 3.11 ABF shall not, without the prior written consent of NMR, elect to notify the Transaction to the CMA under section 96 of the Enterprise Act 2002, save that ABF shall not require NMR's prior written consent where a written briefing paper has previously been submitted by ABF to the CMA and the CMA has requested that the Transaction is notified under section 96 of the Enterprise Act 2002.
- 3.12 Except with the prior written consent of NMR, ABF shall not, and shall procure that no person acting in concert or presumed to be acting in concert with it will take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or enter into any acquisition, transaction or other agreement, which would, or would be reasonably likely to, have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the Regulatory Conditions or implementation of the Acquisition.

- 3.13 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require ABF (or any person acting in concert or deemed to be acting in concert with ABF) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the ABF Group or the NMR Group, or agree to any conditions, measures, commitments or undertakings or any other limitations on the business of the ABF Group, except as otherwise agreed by the parties.

#### **4 Scheme Document**

- 4.1 Subject to clause 3.9, ABF agrees:

- (a) promptly to provide NMR (and/or its legal advisers) with all such information about itself, its directors, its concert parties and its Group which is required by the Code to be included in the Scheme Document or any other Court documentation in connection with the Scheme (including any information required under the Code or other Law);
- (b) promptly to provide NMR with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, ABF's relevant professional advisers; and
- (c) to procure that the ABF Responsible Persons and any other person connected with ABF, as required by the Panel, accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Code to be published in connection with the Scheme relating to themselves (and their close relatives (as defined in the Code), related trusts and other persons connected with them), their concert parties, ABF, the ABF Group, the financing of the Acquisition, information on ABF's future plans for the NMR Group and its management and employees, any statements of opinion, belief, intention or expectation of the ABF Responsible Persons in relation to the Acquisition following the Effective Date, and any other information in the Scheme Document for which an offeror is required to accept responsibility under the Code.

#### **5 Implementation of the Acquisition**

- 5.1 Where the Acquisition is being implemented by way of the Scheme:

- (a) ABF undertakes that, by no later than the appointed time of the Court Hearing, it shall deliver a notice in writing to NMR either:
  - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
  - (ii) confirming ABF's intention to invoke one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which ABF reasonably considers entitle it to invoke such Condition(s) and why ABF considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition(s);
- (b) where ABF confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) in accordance with clause 5.1(a), ABF agrees that NMR shall be permitted to take the necessary steps to procure that the Court Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed

between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition); and

- (c) ABF shall instruct counsel to appear on its behalf at the Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to ABF and/or AB Agri. ABF shall provide such documentation or information as may reasonably be required by NMR's counsel or the Court in relation to such undertaking.

- 5.2 If ABF becomes aware of any fact, matter or circumstance that it considers would entitle ABF to invoke (and the Panel would permit ABF to so invoke) any of the Conditions or treat any of the Conditions as unsatisfied or incapable of satisfaction (applying in each case the test set out in Rule 13.5 of the Code), ABF shall (subject to Law) inform NMR providing reasonable details promptly following becoming so aware.

## **6 NMR Share Plans**

- 6.1 The provisions of Schedule 2 shall apply in respect of the NMR Share Plans.
- 6.2 Each of the parties agrees that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation will be fixed as far as is possible so as to enable options and awards under the relevant NMR Share Plans which provide for exercise and/or vesting upon the Court Hearing Date to be exercised or vest in sufficient time to enable the resulting NMR Shares to be bound by the Scheme on the same terms as NMR Shares held by NMR Shareholders.

## **7 Directors' and Officers' Insurance**

- 7.1 If and to the extent that such obligations are permitted by Law, for six (6) years after the Effective Date, ABF shall procure that the members of the NMR Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance reasonable and properly incurred expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 7.2 ABF acknowledges that NMR may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the NMR Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six (6) years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the NMR Group's directors' and officers' liability insurance as at the date of this Agreement.

## **8 Termination**

- 8.1 Subject to clauses 8.2 and 8.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease, as follows:
  - (a) if agreed in writing between the parties;
  - (b) if the Announcement is not released by 5.30pm on the date of this Agreement (unless, prior to that time, the parties have agreed another time and date in accordance with clause 2.1, in which case that later time and date will apply for the purposes of this clause 8.1(b));

- (c) upon service of written notice by ABF to NMR prior to the Longstop Date stating that either:
- (i) any Condition which has not been waived is (or has become) incapable of satisfaction by the Longstop Date and, notwithstanding that ABF has the right to waive such Condition, ABF will not do so; or
  - (ii) any Condition which is incapable of waiver is incapable of satisfaction by the Longstop Date,
- in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) has been permitted by the Panel;
- (d) if:
- (i) a Competing Proposal is announced, which is recommended by the NMR Directors;
  - (ii) a NMR Director Adverse Recommendation Change occurs; or
  - (iii) the Scheme is not approved by the NMR Shareholders at the Court Meeting, or the Court refuses to sanction the Scheme;
- (e) if prior to the Longstop Date the Acquisition (whether implemented by way of the Scheme or a Takeover Offer) is withdrawn, terminated or lapses in accordance with its terms (and, where required, with the permission of the Panel), unless such lapse or withdrawal:
- (i) is as a result of the exercise of ABF's right to effect a Switch; or
  - (ii) is followed within five (5) Business Days by an announcement under Rule 2.7 of the Code made by ABF or a person acting in concert with ABF to implement the Acquisition by a different offer or scheme on substantially the same or improved terms; or
- (f) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Longstop Date.

8.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

8.3 The following provisions shall survive termination of this Agreement: clauses 11 to 16 (inclusive), clauses 18 to 22 (inclusive), this clause 8 and all related provisions of clause 1.

## **9 Code**

9.1 Nothing in this Agreement shall in any way limit the parties' obligations (or the obligations of the parties' respective boards of directors or other members of their respective groups) under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

9.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires NMR to take or not to take any action, whether as a direct obligation or as a condition to any



other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

- 9.3 Nothing in this Agreement shall oblige NMR or the NMR Directors (or any of them) to recommend a Takeover Offer or a Scheme proposed by ABF or any member of its Group.
- 9.4 Without prejudice to the representations and warranties given by the parties pursuant to clause 10, nothing in this Agreement shall be taken to restrict the directors of ABF or the directors of any member of the NMR Group from complying with their duties under Law, orders of court or regulations, including the Code and the rules and regulations of the Panel and the FCA.

## 10 Representations and Warranties

- 10.1 Each party represents and warrants to the other party on the date of this Agreement that:
- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
  - (b) this Agreement constitutes its binding obligations in accordance with its terms; and
  - (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
    - (i) result in any breach of any provision of its constitutional documents;
    - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
    - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.
- 10.2 No party shall have any claim against any other party pursuant to clause 10.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).
- 10.3 ABF acknowledges and agrees that any information and/or assistance provided by NMR, any member of the NMR Group, any of the NMR Directors or any officer, employee or adviser of the NMR Group (each a **NMR Representative**) to ABF, any member of the ABF Group and/or or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement:
- (a) pursuant to the obligations of NMR or any member of the NMR Group under or otherwise in connection with this Agreement; or
  - (b) in connection with the Acquisition,

shall in each case be given on the basis that the relevant NMR Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, nor owe any duty of care, in respect of any loss or damage that ABF, any member of the ABF Group or any of their respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance (save, in each case for loss or damage resulting from the fraud or fraudulent misrepresentation of the relevant NMR Representative).

## 11 Costs

Except as otherwise expressly provided in this Agreement, each party shall bear its own Costs relating to the negotiation, preparation, execution and performance of this Agreement (and any matters contemplated by it) or otherwise in connection with the Acquisition.

## 12 Entire Agreement

- 12.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement and the Confidentiality Agreement together constitute the entire agreement between the parties in respect of the Acquisition and supersedes and extinguishes all previous agreements, arrangements and understandings and any representations and/or warranties previously given or made, whether in writing or not, relating to the Acquisition.
- 12.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement and the Confidentiality Agreement.
- 12.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.
- 12.4 For the purposes of this clause, **pre-contractual statement** means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.
- 12.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.
- 12.6 Each party agrees to the terms of this clause 12 on its own behalf.

## 13 Assignment

Unless otherwise provided in this Agreement, no party shall be entitled to assign, transfer, grant any encumbrance over, create any trust in respect of, or deal in any way with the benefit or burden of, any provision of this Agreement (or any of the documents referred to herein) without the prior written consent of the other party.

## 14 Notices

- 14.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier to the address or email address specified for the relevant party in clause 14.3.
- 14.2 A notice shall be effective upon receipt and shall be deemed to have been received:
  - (a) at the time of delivery, if delivered by hand, registered post or courier or
  - (b) at the time of transmission if delivered by e-mail, provided that the sender does not receive a notice of non-delivery.

Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

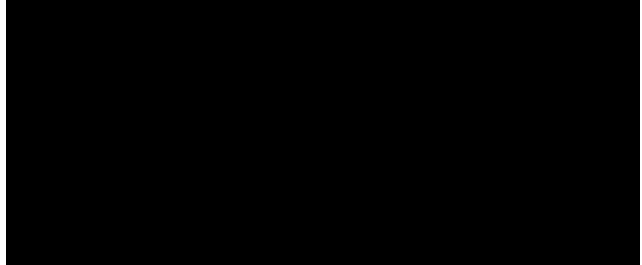
14.3 The addresses and e-mail addresses of the parties for the purpose of clause 14.1 are:

(a) In respect of notices to ABF:

**Address:**

**E-mail:**

**For the attention of:**

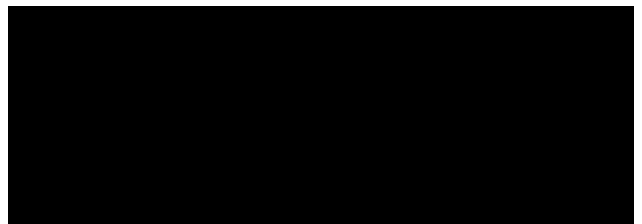


With a copy (which shall not constitute notice) to:

**Address:**

**E-mail:**

**For the attention of:**

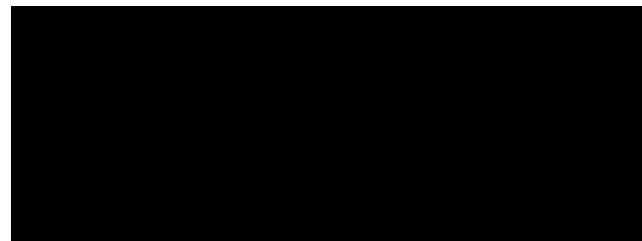


(b) In respect of notices to NMR:

**Address:**

**E-mail:**

**For the attention of:**

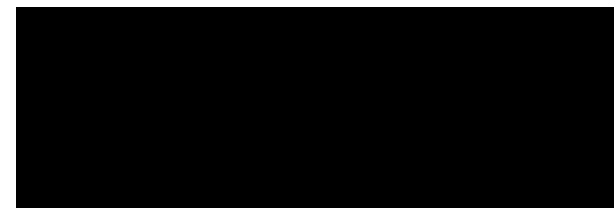


With a copy (which shall not constitute notice) to:

**Address:**

**E-mail:**

**For the attention of:**



14.4 Each party shall notify the other party in writing of any change to its details in clause 14.3 from time to time.

## 15 Waiver and Remedies

15.1 No failure or delay by a party or time or indulgence given in exercising any right or remedy under or in relation to this Agreement shall operate as a waiver of the same.

15.2 No single or partial exercise of any right or remedy shall preclude any further exercise of the same or the exercise of any other right or remedy.

- 15.3 No waiver of any particular breach of the provisions of this Agreement shall (unless the terms of the waiver expressly provide otherwise) operate as a waiver of any continuation or repetition of such breach.
- 15.4 No waiver by any party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such party. Any such waiver shall only have effect in favour of the party to whom it is addressed and in the instance and for the purpose for which it is given.
- 15.5 Unless otherwise provided in this Agreement, the rights and remedies under this Agreement shall be in addition to and without prejudice to all other rights and remedies provided by Law.

## **16 Agreement not a Partnership nor an Agency Agreement**

No provision of this Agreement is intended to, or shall be deemed to establish a partnership between the parties or any of them, constitute any party the agent of another party, nor authorise any party to make or enter into any commitments for or on behalf of any other party.

## **17 Further Assurance**

At its own cost, each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute and/or perform all such further deeds, documents, assurances, acts and things as the requesting party may reasonably require for the purpose of giving effect and the full benefit of this Agreement to the requesting party.

## **18 Counterparts**

- 18.1 This Agreement may be executed in any number of counterparts, but no counterpart shall be effective until each party has executed at least one counterpart.
- 18.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts together shall constitute one and the same agreement.
- 18.3 Delivery of a counterpart of this Agreement by e-mail attachment shall be an effective mode of delivery.

## **19 Variation**

- 19.1 No variation of this Agreement shall be effective unless it is in writing (which for this purpose, does not include email) and signed by or on behalf of each of the parties.
- 19.2 If this Agreement is varied:
- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
  - (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
  - (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

## **20 Severance**

- 20.1 If any provision of this Agreement is or becomes illegal, void, invalid or unenforceable (in whole or in part) under the Law of any jurisdiction, that shall not affect or impair the legality, validity or

enforceability of that provision under the Law in any other jurisdiction or of the remainder of this Agreement.

- 20.2 If any illegal, void, invalid or unenforceable provision of this Agreement would be lawful, valid and enforceable if some part or parts of it were deleted such provision shall apply with the minimum deletion(s) necessary to make it legal, valid and enforceable.

## **21 Rights of Third Parties**

- 21.1 Each of the persons to whom clauses 7.1, 7.2 and/or 10.3 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 7.1, 7.2 and/or 10.3 (as applicable). This right is subject to:

- (a) the rights of the parties to rescind or vary this Agreement without the consent of any other person, except that any variation or rescission of clauses 7.1, 7.2 and/or 10.3 shall require the consent of each third party referred to in such clauses and;
- (b) the other terms and conditions of this Agreement.

- 21.2 Except as set out in clause 21.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

## **22 Governing Law and Jurisdiction**

- 22.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

- 22.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement, including disputes arising out of or in connection with:


- (a) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Agreement; and
- (b) any non-contractual obligations arising out of or in connection with this Agreement.

- 22.3 For these purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

IN WITNESS whereof this Agreement has been entered into on the date first written above.

Signed by  
duly authorised for and on behalf of  
**Associated British Foods plc**

)  
)  
) .....

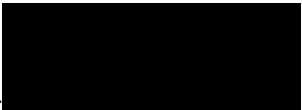


Signed by  
duly authorised for and on behalf of  
**National Milk Records plc**

)  
)  
) .....

IN WITNESS whereof this Agreement has been entered into on the date first written above.

Signed by )  
duly authorised for and on behalf of )  
**Associated British Foods plc** ) .....

Signed by Mark Frankcom )  
duly authorised for and on behalf of )  
**National Milk Records plc** ) .....  


**Schedule 1**  
**Announcement**



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

06 June 2023

**RECOMMENDED CASH ACQUISITION**

of

**NATIONAL MILK RECORDS PLC**

by

**ASSOCIATED BRITISH FOODS PLC**

**to be implemented by means of a scheme of arrangement**

**under Part 26 of the Companies Act 2006**

**Summary**

- The boards of Associated British Foods plc ("**ABF**") and National Milk Records plc ("**NMR**") are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition to be made by ABF, pursuant to which AB Agri Limited (an indirect wholly-owned subsidiary of ABF) will acquire the entire issued and to be issued ordinary share capital of NMR (the "**Acquisition**"). It is intended that the Offer be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (or, if ABF so elects, with the consent of the Panel, a Takeover Offer) between NMR and NMR Shareholders.
- Under the terms of the Acquisition, each NMR Shareholder will be entitled to receive:

**215 pence in cash per NMR Share**
- The Acquisition values the entire issued and to be issued ordinary share capital of NMR at approximately £48.0 million on a fully diluted basis.
- The Acquisition represents a premium of approximately:
  - 87.0% to the Closing Price of an NMR Share of 115.0 pence on 05 June 2023, being the Last Practicable Date;
  - 94.6% to the volume weighted average share price ("**VWAP**") of an NMR Share of 110.5 pence for the three month period ended on the Last Practicable Date; and
  - 85.6% to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the Last Practicable Date.

**Overview of ABF**

- The ABF Group is a diversified international food, ingredients and retail group with 132,000 employees in 53 countries. ABF has a premium listing on the Main Market of the London Stock Exchange and has a market capitalisation of some £14 billion with a net cash position of circa £0.6 billion.
- AB Agri is ABF's international agri-food business and a leader in the UK agricultural sector. AB Agri occupies a key position in the food supply chain, with a presence in more than 80 countries, employing over 3,000 people

internationally. AB Agri supplies a wide range of animal feed, supplements and specialist ingredients, and provides value-added services and expertise to farmers, feed and food manufacturers and retailers. It operates at the heart of the agricultural industry and its vision centres around working with its customers to produce high-quality, affordable, safe and responsibly sourced food products. AB Agri has an established position in the UK dairy industry, working with over 2,000 UK dairy farms.

#### **Background to and reasons for the Acquisition**

- AB Agri actively looks to add new, complementary capabilities through M&A and has a track record of successfully acquiring businesses. NMR's business is well aligned with AB Agri's objective of supporting customers across the dairy industry, helping to drive efficiency and increase productivity. NMR provides complementary services and technology offerings to AB Agri's existing operations across the dairy supply chain, and AB Agri believes that a combination will enable a better service to the dairy industry, initially in the UK, offering products that deliver increased value, efficiency and ultimately profitability for farmers. AB Agri is excited about NMR becoming part of the broader group and believes that the Acquisition will allow NMR to accelerate and de-risk the delivery of its strategy, as well as creating greater opportunities for NMR's customers, employees and wider stakeholders.

#### **NMR recommendation**

- The NMR Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the NMR Directors, Canaccord Genuity has taken into account the commercial assessments of the NMR Directors. Canaccord Genuity is providing independent financial advice to the NMR Directors for the purpose of Rule 3 of the Code.
- Accordingly, the NMR Directors believe that the Acquisition is in the best interests of NMR Shareholders as a whole and intend to recommend unanimously that NMR Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as all the NMR Directors holding NMR Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 284,792 NMR Shares (representing, in aggregate, approximately 1.34% of the NMR Shares in issue on the Last Practicable Date).

#### **Irrevocable Undertakings**

- In addition to the irrevocable undertakings noted above, ABF has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 14,072,334 NMR Shares, representing approximately 66.25% of the NMR Shares in issue on the Last Practicable Date.
- In addition, ABF has received an undertaking to act on a reasonable endeavours basis to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 194,880 NMR shares (representing, in aggregate, approximately 0.92% of the NMR Shares in issue on the Last Practicable Date).
- Therefore, as at the date of this announcement, ABF has received irrevocable undertakings and reasonable endeavours undertakings in respect of a total of 14,552,006 NMR Shares (representing approximately 68.51% of the NMR Shares in issue on the Last Practicable Date).
- Full details of the irrevocable undertakings received by ABF are set out in Appendix 3 to this announcement.

#### **Timetable and Conditions**

- It is intended that the Acquisition be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (or, if ABF so elects and with the consent of the Panel, a Takeover Offer). The purpose of the Scheme is to provide for AB Agri to become the owner of the entire issued and to be issued ordinary share capital of NMR. The Scheme will be put to Scheme Shareholders at the Court Meeting and to the NMR Shareholders at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of the Scheme Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75% in value of the Scheme Shares voted. In addition, the implementation of the Scheme must also be approved by NMR Shareholders at the General Meeting.

- The Acquisition will be on the terms and subject to the Conditions and certain further terms set out in Appendix 1 to this announcement, including, among other things: (a) the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolutions to be proposed at the General Meeting; (b) the CMA confirming in response to a briefing note that it has no further questions or, alternatively, CMA approval; (c) the sanction of the Scheme by the Court; and (d) the Scheme becoming Effective no later than the Long Stop Date. The Acquisition does not require the approval of ABF shareholders.
- The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Acquisition, and the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable of the Acquisition and will specify the necessary actions to be taken by NMR Shareholders. The Scheme Document will be sent to NMR Shareholders within 28 days of the date of this announcement (or such later date as NMR, ABF and the Panel agree).
- If any dividend or other distribution in respect of the NMR Shares is declared, paid or made on or after the date of this announcement, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution. If ABF exercises this right or makes such a reduction in respect of a dividend or distribution, NMR Shareholders will be entitled to receive and retain that dividend or distribution.
- The Acquisition is currently expected to become Effective during Q3 2023, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 to this announcement and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document.
- The NMR Directors are responsible for arranging this announcement on behalf of NMR. The ABF Directors are responsible for arranging this announcement on behalf of ABF. The LEI of NMR is 213800WRKB3WOUGNGN83.

Commenting on today's announcement, Trevor Lloyd, Chairman of NMR, said:

*"I am pleased to announce ABF's intention to acquire NMR. ABF's and AB Agri's status within the UK agricultural sector and expertise in the dairy industry will provide a significant benefit to NMR's customers. As the UK dairy supply chain continues its drive to carbon neutrality, NMR's work with GenoCells and milk data, and our pivotal role in payment testing, will contribute important information to aid in this transition. The backing of ABF will accelerate and de-risk NMR's ability to deliver its strategic objectives, streamlining industry processes by creating a holistic business that can provide end-to-end data and analysis to ensure the long term sustainability, efficiency and profitability of UK dairy."*

*The NMR team looks forward to working as part of ABF and AB Agri to further position NMR as a leading player at the centre of the UK dairy industry."*

Commenting on today's announcement, José Nobre, Chief Executive of AB Agri, said:

*"I am delighted to be announcing AB Agri's intention to acquire NMR. NMR is a high-quality business which is extremely complementary and additive to our dairy strategy and offering to the dairy industry. We have supported dairy farmers for more than 30 years with nutrition and specialty feed products, and more recently with data and technology platforms which deliver insights that create continuous improvement in agricultural supply chains. Acquiring NMR is an extension of this strategy and will enable us to service the industry better, offering products that deliver increased value, efficiency and ultimately profitability for dairy farmers. NMR has assembled a strong team and we are excited by the prospect of working together with them to accelerate the development of the business."*

**This summary should be read in conjunction with, and is subject to, the following full text of this announcement and the Appendices. The Scheme will be subject to the further terms and conditions set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings received by ABF are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.**

A copy of this announcement is available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on ABF's website at [www.abf.co.uk/investors](http://www.abf.co.uk/investors) and NMR's website at [www.nmr.co.uk/investors](http://www.nmr.co.uk/investors). For the avoidance of doubt, the contents of these websites and of any other website accessible by hyperlinks on this website, are not incorporated by reference into, and do not form part of, this announcement.

**Enquiries:**

<b>Associated British Foods plc</b> Eoin Tonge, Group Finance Director Chris Barrie, Corporate Affairs Director	+44 (0)20 7399 6545
<b>Rothschild &amp; Co (Financial Adviser to ABF)</b> Stuart Vincent Simon Cope-Thompson	+44 (0)20 7280 5000
<b>Citigate Dewe Rogerson (Financial PR adviser to ABF)</b> Holly Gillis Tel: 07940 797560 Angharad Couch Tel: 07507 643004	+44 (0)20 7638 9571
<b>National Milk Records plc</b> Mark Frankcom, Finance Director	+44 (0)3330 043 043
<b>Canaccord Genuity Limited (AQSE Corporate Adviser, Broker and Rule 3 Adviser to NMR)</b> Adam James Harry Rees	+44 (0)20 7523 8000
<b>BlytheRay (Financial PR adviser to NMR)</b> Megan Ray Rachael Brooks	+44 (0)20 7138 3204

Addleshaw Goddard LLP is providing legal advice to ABF. Gowling WLG (UK) LLP is providing legal advice to NMR.

## **IMPORTANT NOTICES**

### **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation or the solicitation of an offer to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition, together with the accompanying forms of proxy. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their NMR Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. This announcement does not constitute a prospectus or prospectus equivalent document.*

*The Scheme Document (including notices of the Court Meeting and the General Meeting), together with the relevant Forms of Proxy, will be published as soon as practicable and in any event within 28 days of this announcement (unless otherwise agreed with the Panel).*

*ABF and NMR encourage NMR Shareholders to read the Scheme Document (or any further documentation published in connection with the Acquisition) carefully when it becomes available because it will contain important information in relation to the Acquisition. Any decision by NMR Shareholders in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*The Acquisition relates to securities in a non-US company registered in England and Wales trading on the AQSE Growth Market, and is subject to the disclosure requirements, rules and practices applicable to companies trading in the United Kingdom, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales, the Code and the Aquis Rules. US shareholders should read this entire document. Accordingly, the Acquisition will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures. US shareholders should note that NMR is not listed on an American securities exchange, subject to the periodic reporting requirements of the US Exchange Act or required to, and does not, file any reports with the SEC thereunder.*

*It may be difficult for US shareholders to enforce certain rights and claims arising in connection with the Acquisition under US federal securities laws since NMR is located outside the United States and its officers and most of its directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.*

*In accordance with normal UK practice, ABF or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase NMR Shares, other than pursuant to the Acquisition, until the date on which the Scheme (or Takeover Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK and will be reported to a regulatory information service.*

## **Rule 26.1 Disclosure**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) at [www.nmr.co.uk/investors](http://www.nmr.co.uk/investors) and [www.abf.co.uk/investors](http://www.abf.co.uk/investors) by no later than 12 noon (London time) on 07 June 2023 (being the Business Day following the date of this announcement). The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

## **Requesting Hard Copy Documents**

In accordance with Rule 30.3 of the Code, NMR Shareholders and persons with information rights may request a hard copy of this announcement by contacting NMR's registrars, Equiniti Limited on +44 (0)371 384 2050 or by submitting a request in writing at Equiniti Limited, Aspect House, Spencer Road, Lancing West Sussex BN99 6DA. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls are charged at the standard geographical rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

## **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Code, NMR confirms that, as at the close of business on 05 June 2023 (being the last Business Day prior to the date of this announcement), it had in issue 21,239,702 NMR Shares, which are in issue and admitted to trading on the AQSE Growth Market. The International Securities Identification Number (ISIN) of the NMR Shares is GB00B5TWCQ18.

## **No Profit Forecasts or Estimates**

No statement in this announcement is intended, or is to be construed, as a profit forecast, profit estimate, or quantified financial benefits statement or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for NMR for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for NMR.

## **Other Disclosure Requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of the offeree company. An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period. Relevant persons who deal in the relevant securities of the offeree company prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of the offeree company, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44(0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **Disclaimers**

Canaccord Genuity Limited ("**Canaccord Genuity**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for NMR and no one else in connection with the Acquisition and will not be responsible to anyone other than NMR for providing the protections afforded to clients of Canaccord Genuity nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Canaccord Genuity nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Canaccord Genuity in connection with this announcement, any statement contained herein or otherwise.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for ABF and no one else in connection with the Acquisition and will not be responsible to anyone other than ABF for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Rothschild & Co nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein or otherwise.

## **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

## **Forward-looking Statements**

This announcement (including any information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by ABF and NMR may contain certain forward-looking statements with respect to the financial condition, results of operations and business of ABF and/or NMR and certain plans and objectives of ABF and/or NMR with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by ABF and/or NMR in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither ABF nor NMR assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

## **General**

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

06 June 2023

**RECOMMENDED CASH ACQUISITION**

of

**NATIONAL MILK RECORDS PLC**

by

**ASSOCIATED BRITISH FOODS PLC**

**to be effected by means of a scheme of arrangement**

**under Part 26 of the Companies Act 2006**

**1 Introduction**

The boards of Associated British Foods plc ("**ABF**") and National Milk Records plc ("**NMR**") are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition to be made by ABF, pursuant to which AB Agri Limited (an indirect wholly-owned subsidiary of ABF) will acquire the entire issued and to be issued ordinary share capital of NMR (the "**Acquisition**").

It is intended that the Acquisition be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. ABF reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme.

**2 The Acquisition**

Under the terms of the Acquisition, each NMR Shareholder will be entitled to receive:

**215 pence in cash per NMR Share**

The Acquisition values the entire issued and to be issued ordinary share capital of NMR at approximately £48.0 million on a fully diluted basis.

The Acquisition represents a premium of approximately:

- 87.0% to the Closing Price of an NMR Share of 115.0 pence on 05 June 2023, being the Last Practicable Date;
- 94.6% to the volume weighted average share price ("**VWAP**") of an NMR Share of 110.5 pence for the three month period ended on the Last Practicable Date; and
- 85.6% to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the Last Practicable Date.

Subject to the Conditions and further terms set out in Appendix 1 to this announcement and to be set out in full in the Scheme Document, the Scheme Shares will be acquired by AB Agri fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of



share capital or share premium account or otherwise) made on or after the date of this announcement in respect of the NMR Shares.

If any dividend or other distribution in respect of the NMR Shares is declared, paid or made on or after the date of this announcement, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution. To the extent that any such dividend or other distribution and/or other return of capital announced, declared, paid or made is: (a) transferred pursuant to the Acquisition on a basis which entitles ABF to receive the dividend or other distribution and to retain it; or (b) cancelled, then in either case the consideration payable in respect of the Acquisition will not be subject to change in accordance with this paragraph. If ABF exercises this right or makes such a reduction in respect of a dividend or distribution, NMR Shareholders will be entitled to receive and retain that dividend or distribution. Any exercise by ABF of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition.

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 to this announcement, including, among other things: (a) the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolutions to be proposed at the General Meeting; (b) the CMA confirming in response to a briefing note that it has no further questions or, alternatively, CMA approval; (c) the sanction of the Scheme by the Court; and (d) the Scheme becoming Effective no later than the Long Stop Date. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting representing at least 75% in value of the Scheme Shares voted by such holders.

The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Acquisition, and the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable of the Acquisition and will specify the necessary actions to be taken by NMR Shareholders. The Scheme Document will be sent to NMR Shareholders within 28 days of the date of this announcement (or such later date as NMR, ABF and the Panel agree).

### **3 Background to and reasons for the Acquisition**

AB Agri actively looks to add new, complementary capabilities through M&A and has a track record of successfully acquiring businesses. NMR's business is well aligned with AB Agri's objective of supporting customers across the dairy industry, helping to drive efficiency and increase productivity. NMR provides complementary services and technology offerings to AB Agri's existing operations across the dairy supply chain, and AB Agri believes that a combination will enable a better service to the dairy industry, initially in the UK, offering products that deliver increased value, efficiency and ultimately profitability for farmers. AB Agri is excited about NMR becoming part of the broader group and believes that the Acquisition will allow NMR to accelerate and de-risk the delivery of its strategy, as well as creating greater opportunities for NMR's customers, employees and wider stakeholders.

### **4 Background to and reasons for the recommendation of the Acquisition**

The NMR Directors believe that NMR is the leading agri-tech supplier of management information and testing services to the UK dairy supply chain. NMR has, in recent years, implemented several significant initiatives which streamlined its business to allow it to focus on the services required by both the milk production supply base and the milk processing sector of the UK dairy industry. NMR now has a highly respected and unique position as the only business carrying out Payment Testing within the industry. This current footprint and lean infrastructure have resulted in significant cash-generation and delivery of good profit levels.

NMR's success has largely been driven by working collaboratively with the key players in each sector, such as milk processors, retailers, vets and third-party suppliers to UK dairy farmers. NMR demonstrated its versatility and robustness with a swift recovery from the impact of the Covid-19 pandemic, and more recently has developed a leading genomics laboratory which enables the launch of the novel GenoCells testing service. This exclusive technology is a significant step forward in testing individual cows for somatic cells, an early indication of mastitis infection.

NMR's business continues to differentiate itself by developing new products and making investments into alternative technologies to align itself with the growing emphasis in the dairy market on sustainability and the mitigation of the environmental impact of dairy food production. The UK dairy supply chain is currently stepping very much onto the front foot in an extremely proactive drive to prove its credentials in terms of carbon reduction and ultimately carbon neutrality. NMR's services and data are central to the achievement of that aim.

NMR's unaudited results for the six-month period ended 31 December 2022 show the continued strategic progress that has been made and, accordingly, the NMR Board remains confident in NMR's future prospects as an independent listed company and its ability to deliver sustainable value for all stakeholders over the medium to long-term. However, these prospects, by their forward-looking nature, involve future risk and uncertainty and the NMR Board has therefore taken into account the offer from ABF which would provide NMR Shareholders with an immediate realisation of this future value in cash.

In that context, the NMR Board did not solicit an offer for NMR from ABF. Following a period of dialogue, the NMR Board received an indicative proposal from ABF of 215 pence per share and decided to engage in discussions with ABF to facilitate its due diligence, which have resulted in this announcement of the Acquisition.

The NMR Board has also consulted with certain of NMR's significant shareholders who have demonstrated their support for the Acquisition – this is evidenced by their provision of irrevocable undertakings and reasonable endeavours undertakings to support the Acquisition in respect of, in aggregate (when added to those irrevocable undertakings given by the NMR Directors themselves), 14,552,006 NMR Shares representing approximately 68.51% of the NMR Shares in issue as the Last Practicable Date.

The NMR Directors believe that the Acquisition will provide additional resources and support to deliver scale to NMR's business, including GenoCells in the UK and the US, whilst also providing complementary expertise, technologies and actionable insights to NMR's existing and prospective customers - including UK dairy farmers, milk processors and retailers.

Having given due consideration to ABF's intentions in relation to NMR's employees, the NMR Directors also believe that NMR's workforce will benefit from enhanced future employment opportunities within the enlarged ABF Group. The NMR Directors also welcome ABF's statements that it has no current plans to make any changes to the location of NMR's places of business, headquarters and headquarter functions following the Scheme becoming Effective, and that, following the Effective Date, the existing contractual and statutory employment rights, including pensions rights, of all management and employees of NMR will be fully safeguarded, and that ABF does not intend to make any material change in their conditions of employment. The NMR Directors note and agree with ABF's other stated intentions in respect of the business, management, employees, pension schemes and other stakeholders of NMR.

In considering the financial terms of the Acquisition and determining whether they value NMR and its prospects appropriately, the NMR Board has taken into account a number of factors, including but not limited to, the following:

- the Acquisition reflects the strength of the NMR business and its medium-term future prospects, and provides an opportunity for NMR Shareholders to crystallise, in cash, the value of their investments on fair and reasonable financial terms which incorporate the potential for future value creation and provide certainty when weighed against the inherent uncertainty of the delivery of future value;
- the Acquisition provides an answer to the problem of the current illiquidity of NMR Shares and the relatively small size of the Company as a quoted entity, both of which limit attractiveness of the stock to institutional investors, despite the attractions of the underlying business. The alternatives, such as moving to a new trading platform such as AIM, does not on its own solve this underlying mismatch of scale, illiquidity and public company status;
- the Offer Price of 215 pence per NMR Share represents an attractive premium of 87.0% to the Closing Price of 115.0 pence per NMR Share on 05 June 2023, the Last Practicable Date; and
- the Offer Price represents a premium of 94.6% to the VWAP of an NMR Share of 110.5 pence for the three month period ended on the Last Practicable Date, and a premium of 85.6% to the VWAP of an NMR Share of 115.9 pence for the six month period ended on the Last Practicable Date.

Following careful consideration of both the financial terms of the Acquisition and ABF's plans for the NMR business under ABF's ownership, the NMR Board has determined that the Acquisition is in the best interests of NMR and NMR Shareholders as a whole.

## **5 Recommendation**

The NMR Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the NMR Directors, Canaccord Genuity has taken into account the commercial assessments of the NMR Directors. Canaccord Genuity is providing independent financial advice to the NMR Directors for the purpose of Rule 3 of the Code.

Accordingly, the NMR Directors unanimously intend to recommend that the NMR Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as all the NMR Directors holding NMR Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 284,792 NMR Shares (representing, in aggregate, approximately 1.34% of the Scheme Shares in issue on the Last Practicable Date).

## **6 Irrevocable undertakings**

In addition to the irrevocable undertakings from the NMR Directors referred to in paragraph 5 above, ABF has received irrevocable undertakings from certain other NMR Shareholders to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or

procure acceptance of the Takeover Offer) in respect of 14,072,334 NMR Shares, representing approximately 66.25% of the NMR Shares in issue as the Last Practicable Date.

In addition, ABF has received an undertaking to act on a reasonable endeavours basis to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 194,880 NMR shares (representing, in aggregate, approximately 0.92% of the NMR Shares in issue on the Last Practicable Date).

Consequently, ABF has received irrevocable undertakings and reasonable endeavours undertakings in respect of approximately 14,552,006 NMR Shares, representing approximately 68.51% of the NMR Shares in issue as the Last Practicable Date.

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

## **7 Information on ABF and AB Agri**

The ABF Group is a diversified international food, ingredients and retail group with 132,000 employees in 53 countries. ABF has a premium listing on the Main Market of the London Stock Exchange and has a market capitalisation of some £14 billion with a net cash position of circa £0.6 billion.

AB Agri is ABF's international agri-food business and a leader in the UK agricultural sector. AB Agri occupies a key position in the food supply chain, with a presence in more than 80 countries, employing over 3,000 people internationally. AB Agri supplies a wide range of animal feed, supplements and specialist ingredients, and provides value-added services and expertise to farmers, feed and food manufacturers and retailers. It operates at the heart of the agricultural industry and its vision centres around working with its customers to produce high-quality, affordable, safe and responsibly sourced food products. AB Agri has an established position in the UK dairy industry, working with over 2,000 UK dairy farms.

Further details in relation to ABF and AB Agri will be contained in the Scheme Document.

## **8 Information on NMR**

The NMR Directors believe that NMR is the leading agri-tech supplier of management information and testing services to the UK dairy supply chain, developing technology used to inform farming efficiency and animal welfare, and quantify food provenance. NMR regularly collects a milk sample from virtually every dairy farm in Great Britain, positioning it as a highly respected and present voice across the breadth of the national dairy sector. NMR's success has been largely driven by strong collaborative relationships with key industry players, including dairy farmers, vets, milk processors, third party suppliers, and major retailers.

NMR provides milk recording and testing services, invoicing upwards of 3,000 farms every month. In addition, NMR provides milk payment testing services to the majority of the UK's milk processors. Through its laboratories, NMR also provides disease testing services for individual animals and whole herd analysis. NMR continues to differentiate itself by developing new products and services and investing in alternative technologies, notably genomics and GenoCells.

In delivering its services, NMR has been working to help reduce carbon emissions per litre of milk whilst maintaining overall milk yields. This objective aligns with the aims of the UK dairy supply chain, which continues to be proactive in its drive to prove its carbon reduction and carbon neutrality credentials. NMR's services and data are central to achieving that aim.

## **9 NMR Share Schemes**

Participants in the NMR Share Schemes will be contacted regarding the effect of the Acquisition on their rights under the NMR Share Schemes and appropriate proposals in accordance with Rule 15 of the Code will be made to such participants in due course.

Details of these proposals will be set out in the Scheme Document and separate Rule 15 proposal documentation.

## **10 Financing**

The cash consideration payable to the NMR Shareholders under the terms of the Acquisition will be financed by existing cash resources available to ABF.

Rothschild & Co, as financial adviser to ABF, is satisfied that sufficient cash resources are available to ABF to enable it to satisfy in full the cash consideration payable to NMR Shareholders under the terms of the Acquisition.

### ***ABF and AB Agri's strategic plans for NMR***

ABF and AB Agri have a high regard for NMR's business and intend to support the acceleration of their current strategy, with NMR benefiting from the capabilities, scale and resources of AB Agri. ABF and AB Agri's intention is for NMR to operate as part of AB Agri. The Acquisition will enable AB Agri and NMR to enhance their proposition as a value-added partner for dairy farmers and dairy processors, and to support the dairy industry, initially in the UK, to deliver high-quality, responsibly sourced products as a key part of the daily nutrition of millions of consumers.

Prior to the date of this announcement, ABF has been granted access to certain due diligence information and NMR's senior management in order to undertake customary confirmatory due diligence. Consequently, ABF has not yet had access to sufficiently granular information to allow it to formulate a detailed operational plan regarding the integration of NMR into the ABF Group. Following the Effective Date and in the first six months of ownership, ABF intends to initiate a review of the business and operations of NMR. While the parameters of the review have not yet been finalised, ABF expects that it will involve an evaluation of business expansion opportunities, development of ideas for enhancing the enlarged ABF Group's proposition as a value-added partner for dairy farmers and processors, an analysis of overlapping areas and functions (in particular in corporate and support areas) and identification of potential areas of overlap in the enlarged ABF Group's portfolio of real estate and offices.

### ***Employees and management***

ABF values the skills and experience of NMR's management and employees and believes that they will benefit from enhanced opportunities under the ownership of AB Agri, given its broader activities and capabilities. ABF confirms that, following the Effective Date, the existing contractual and statutory employment rights of all of NMR Group's management and employees will be fully safeguarded in accordance with applicable law.

ABF has not yet begun to carry out the review referred to above and accordingly has not reached any conclusions or formulated any specific intentions as to its likely outcome or made any decisions in relation to any detailed actions that may be taken as a result of this review. ABF therefore cannot be certain what impact there will be on the employment of, and the balance of skills and functions of, or terms and conditions of employment of, the management and employees of the enlarged ABF Group. However, any reduction in headcount arising from integration is expected to be mainly in respect of overlapping functions (principally corporate and support) and those functions associated with NMR's status as a public listed company and is not expected to be material. Any such reductions would be subject to appropriate consultation with employees and employee representative bodies.

In addition, it is intended that, upon completion of the Acquisition, each of the non-executive members of the NMR Board shall resign from their office as a director of NMR.

ABF has not entered into and has not discussed any form of incentivisation arrangements with members of NMR's management and will not have any such discussions prior to the Effective Date. ABF intends to put in place appropriate arrangements for NMR's management following completion of the Acquisition.

### ***Pensions***

NMR does not operate or contribute to any defined benefit pension schemes in respect of its employees. It does, however, operate certain defined contribution pension schemes. ABF does not intend to make any changes to the eligibility rules or contribution rates that currently apply under NMR's defined contribution pension plans. ABF confirms that it will comply with all applicable laws in connection with the provision of retirement benefits.

### ***Locations of business, fixed assets, headquarters and research and development***

Following the Acquisition, ABF intends that NMR will operate within AB Agri. ABF does not intend to change the locations of NMR's laboratories, and no change in the location of NMR's headquarters or headquarters function is intended to be made in the 12 months following the Effective Date. ABF does intend to assess, as part of the review referred to above, the most appropriate locations for NMR's offices, in the light of AB Agri's and ABF's existing property footprint. Where overlap or duplication are identified, locations of business (including headquarters) may, in due course, be consolidated, disposed or repurposed. No significant changes are intended by ABF with respect to the deployment of NMR's fixed asset base.

ABF recognises the importance of research and development to NMR's ability to provide industry leading solutions to its customers. ABF has no intention of materially reducing NMR's level of expenditure on research and development.

### ***Trading facilities***

NMR Shares are currently traded on the AQSE Growth Market and, as set out in paragraph 15 of this announcement, a request will be made to Aquis to cancel trading in NMR's shares on the AQSE Growth Market, to take effect from or shortly after the Effective Date. As stated in paragraph 15 of this announcement, dealings in NMR Shares will be suspended prior to the Effective Date and thereafter there will be no trading facilities in relation to NMR Shares.

No statements in this section are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## **12 Offer-related Arrangements**

### ***Confidentiality Agreement***

Pursuant to the Confidentiality Agreement, AB Agri undertook to keep, and to procure that certain of their representatives keep information relating to the NMR Group and/or to the Acquisition confidential, to use such information solely for the agreed purposes in relation to the Acquisition and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the earlier of: (a) completion of the Acquisition by ABF or a member of the ABF Group; or (b) the date falling two years after the date of the Confidentiality Agreement.

### ***Co-operation Agreement***

Pursuant to the Co-operation Agreement: (a) ABF and NMR have agreed to co-operate to assist with the satisfaction of certain regulatory conditions; (b) ABF has agreed to provide NMR with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; and (c) ABF and NMR have agreed certain arrangements in respect of the NMR Share Schemes.

The Co-operation Agreement will terminate, among other things: (a) if the Acquisition is withdrawn or lapses; (b) if prior to the Long Stop Date any Condition becomes incapable of satisfaction; (c) if the NMR Directors withdraw their recommendation of the Acquisition or if the NMR Directors recommend a competing proposal; (d) if the Scheme does not become Effective in accordance with its terms by the Long Stop Date; or (e) otherwise as agreed in writing between ABF and NMR.

## **13 Structure of and conditions to the Acquisition**

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between NMR and the Scheme Shareholders under Part 26 of the Companies Act, although ABF reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme.

The effect of the Scheme is to provide for AB Agri to become the holder of the entire issued and to be issued ordinary share capital of NMR. This is to be achieved by the transfer of the Scheme Shares to AB Agri, in consideration for which the Scheme Shareholders will receive the cash consideration payable under the Scheme on the basis set out in paragraph 2 of this announcement.

To become Effective, the Scheme must be approved at the Court Meeting by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting and who represent 75 per cent or more in value of the Scheme Shares voted by those Scheme Shareholders. In respect of the approval of the Scheme, Scheme Shareholders will be entitled to cast one vote for each Scheme Share held. The Scheme also requires the Resolutions to be approved by the requisite majority of NMR Shareholders at the General Meeting. It is expected that the General Meeting will be held immediately after the Court Meeting. In respect of the Resolutions to be proposed at the General Meeting, NMR Shareholders will be entitled to cast one vote for each NMR Share held.

Once the necessary approvals have been obtained at the Court Meeting and the General Meeting, and the other Conditions (save for the Condition set out at paragraph 4 of Part A of Appendix 1) have been satisfied or, if applicable, waived, the Scheme must be sanctioned by the Court (with or without modification but subject to any modification being on terms reasonably acceptable to ABF and NMR). The Scheme will only become Effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies for registration.

The Acquisition is subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions that will be set out in the Scheme Document, including, among other things:

- (a) the Scheme becoming Effective by 11.59 p.m. (London time) on the Long Stop Date;
- (b) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting and who represent at least 75% in value of the Scheme Shares voted by such holders;
- (c) the passing of the Resolutions by the requisite majority at the General Meeting;

- (d) the CMA confirming in response to a briefing note that it has no further questions or, alternatively, CMA approval;
- (e) the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to ABF and NMR); and
- (f) a copy of the Scheme Court Order is delivered to the Registrar of Companies.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting, the General Meeting (and the associated Forms of Proxy) and the expected timetable. It will also specify the action to be taken by Scheme Shareholders.

Subject to the satisfaction of the Conditions, the Scheme is expected to become effective during Q3 2023.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour) and the cash consideration payable under the Scheme will be issued and despatched to Scheme Shareholders no later than 14 days after the Effective Date. Share certificates in respect of NMR Shares will cease to be valid and entitlements to NMR Shares held within the CREST system will be cancelled.

Any NMR Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, among other matters, provide that the NMR Articles be amended to incorporate provisions requiring any NMR Shares issued after the Scheme Record Time (other than to AB Agri or its nominee(s)) to be automatically transferred to AB Agri on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the NMR Articles (as amended) will avoid any person (other than AB Agri or its nominee(s)) holding NMR Shares after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents). The deadlines for the timing of the Court Meeting, the General Meeting and the Court hearing to approve the Scheme may be waived by ABF, and the Long Stop Date may be extended by agreement between ABF and NMR.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court and the applicable requirements of the Code, the Panel, the Aquis Rules, and the FCA.

#### **14 Right to switch to a Takeover Offer**

ABF reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition.

Further, in such circumstances, if sufficient acceptances of the Takeover Offer are received and/or sufficient NMR Shares are otherwise acquired, it is the intention of ABF to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining NMR Shares in respect of which the Takeover Offer has not been accepted.

#### **15 Cancellation of admission to trading on the AQSE Growth Market and re-registration as a private limited company**

It is intended that dealings in NMR Shares will be suspended on or shortly before the Effective Date at a time to be set out in the Scheme Document. It is further intended that an application will be made to Aquis for the cancellation of admission to trading of NMR Shares on the AQSE Growth Market, with effect from or shortly after the Effective Date.

The last day of dealing in NMR Shares on the AQSE Growth Market is currently expected to be the Business Day immediately prior to the Effective Date and it is currently intended that no transfers will be registered after 6.00 p.m. on that date.

Share certificates in respect of NMR Shares will cease to be valid and should be destroyed on the Effective Date. In addition, entitlements held within CREST to NMR Shares will be cancelled on the Effective Date.

It is ABF's intention that, in due course and following the cancellation of admission to trading on the AQSE Growth Market, NMR will be re-registered as a private limited company.

## 16 Disclosure of Interests

As at the Last Practicable Date, neither ABF, nor any of its directors, nor, so far as ABF is aware, any person acting in concert (within the meaning of the Code) with ABF has:

- any interest in, or right to subscribe for, any NMR Shares nor does any such person have any short position in any NMR Shares, including any short positions under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of any NMR Shares;
- borrowed or lent any NMR Shares or entered into any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code relating to any NMR Shares; or
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code in relation to any NMR Shares.

“Interests in securities” for these purposes and within the meaning of the Code arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

## 17 Documents available for inspection

Copies of the following documents are available, or will be made available promptly and by no later than 12 noon (London time) on the Business Day following the date of this announcement, on [www.nmr.co.uk/investors](http://www.nmr.co.uk/investors) and [www.abf.co.uk/investors](http://www.abf.co.uk/investors) subject to certain restrictions relating to persons resident in Restricted Jurisdictions:

- (a) this announcement;
- (b) the irrevocable undertakings listed in Appendix 3;
- (c) the consent letters from each of Canaccord Genuity and Rothschild & Co referred to in paragraph 19 below;
- (d) the Confidentiality Agreement; and
- (e) the Co-operation Agreement.

For the avoidance of doubt, the contents of any website referred to in this announcement, and the contents of any other website accessible from hyperlinks on such websites are not incorporated into and do not form part of this announcement.

## 18 Overseas shareholders

The availability of the Acquisition and the distribution of this announcement to NMR Shareholders who are not resident in the UK may be affected by the laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. NMR Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. NMR Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once they have been despatched.

Further information for NMR Shareholders resident, or located, in overseas jurisdictions will be set out in the Scheme Document.

## 19 General

In deciding whether or not to vote (or procure votes) to approve the Scheme at the Court Meeting or to vote (or procure votes) in favour of the Resolutions to be proposed at the General Meeting in respect of their NMR Shares, NMR Shareholders should rely solely on the information contained, and follow the procedures described, in the Scheme Document.

It has not been practicable for ABF to make enquiries of all of their concert parties in advance of the release of this announcement. Therefore, if ABF becomes aware, following the making of such enquiries, that any of its concert parties have any additional interests in the relevant securities of NMR, all relevant details in respect of ABF’s concert parties will be included in their opening position disclosure in accordance with Rule 8 of the Code, which shall be made on or before 12 noon (London time) on the 10th Business Day following the date of this announcement.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document. The bases and sources of certain information contained in this announcement are set out in Appendix 2. Appendix 3 contains the details of the irrevocable undertakings received by ABF in relation to the Acquisition. Certain terms used in this announcement are defined in Appendix 4.

The Scheme Document will include full details of the Scheme, together with an explanatory statement providing details of the Acquisition, and the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable of the Acquisition and will specify the necessary actions to be taken by NMR Shareholders. The Scheme Document will be sent to NMR Shareholders within 28 days of the date of this announcement (or such later date as NMR, ABF and the Panel agree).

The NMR Directors are responsible for arranging this announcement on behalf of NMR. The ABF Directors are responsible for arranging this announcement on behalf of ABF. The LEI of NMR is 213800WRKB3WOUGNGN83.

Each of Canaccord Genuity and Rothschild & Co has given and not withdrawn its consent to the inclusion in this announcement of references to its name in the form and context in which they appear.



## **IMPORTANT NOTICES**

### **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation or the solicitation of an offer to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their NMR Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. This announcement does not constitute a prospectus or prospectus equivalent document.*

*The Scheme Document (including notices of the Court Meeting and the General Meeting), together with the relevant Forms of Proxy, will be published as soon as practicable and in any event within 28 days of this announcement (unless otherwise agreed with the Panel).*

*ABF and NMR encourage NMR Shareholders to read the Scheme Document (or any further documentation published in connection with the Acquisition) carefully when it becomes available because it will contain important information in relation to the Acquisition. Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*The Acquisition relates to securities in a non-US company registered in England and Wales trading on the AQSE Growth Market, and is subject to the disclosure requirements, rules and practices applicable to companies trading in the United Kingdom, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales, the Code and the Aquis Rules. US shareholders should read this entire document. Accordingly, the Acquisition will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures. US shareholders should note that NMR is not listed on an American securities exchange, subject to the periodic reporting requirements of the US Exchange Act or required to, and does not, file any reports with the SEC thereunder.*

*It may be difficult for US shareholders to enforce certain rights and claims arising in connection with the Acquisition under US federal securities laws since NMR is located outside the United States and its officers and most of its directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment.*

*In accordance with normal UK practice, ABF or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase NMR Shares, other than pursuant to the Acquisition, until the date on which the Scheme (or Takeover Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK and will be reported to a regulatory information service.*

## **Rule 26.1 Disclosure**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) at [www.nmr.co.uk/investors](http://www.nmr.co.uk/investors) and [www.abf.co.uk/investors](http://www.abf.co.uk/investors) by no later than 12 noon (London time) on 07 June 2023 (being the Business Day following the date of this announcement). The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

## **Requesting Hard Copy Documents**

In accordance with Rule 30.3 of the Code, NMR Shareholders and persons with information rights may request a hard copy of this announcement by contacting NMR's registrars, Equiniti Limited on +44 (0)371 384 2050 or by submitting a request in writing at Equiniti Limited, Aspect House, Spencer Road, Lancing West Sussex BN99 6DA. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls are charged at the standard geographical rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

## **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Code, NMR confirms that, as at the close of business on 05 June 2023 (being the last Business Day prior to the date of this announcement), it had in issue 21,239,702 NMR Shares, which are in issue and admitted to trading on the AQSE Growth Market. The International Securities Identification Number (ISIN) of the NMR Shares is GB00B5TWCQ18.

## **Other Disclosure Requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of the offeree company. An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period. Relevant persons who deal in the relevant securities of the offeree company prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of the offeree company, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44(0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **Disclaimers**

Canaccord Genuity Limited ("**Canaccord Genuity**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for NMR and no one else in connection with the Acquisition and will not be responsible to anyone other than NMR for providing the protections afforded to clients of Canaccord Genuity nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Canaccord Genuity nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Canaccord Genuity in connection with this announcement, any statement contained herein or otherwise.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for ABF and no one else in connection with the Acquisition and will not be responsible to anyone other than ABF for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Rothschild & Co nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein or otherwise.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Forward-looking Statements**

This announcement (including any information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by ABF and NMR) may contain certain forward-looking statements with respect to the financial condition, results of operations and business of ABF and/or NMR and certain plans and objectives of ABF and/or NMR with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by ABF and/or NMR in the light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither ABF nor NMR assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

### **General**

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

**APPENDIX 1**  
**CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION**

**Part A**

**Conditions to the Scheme and the Acquisition**

- 1 The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before the Long Stop Date or such later date (if any) as ABF and NMR may, with the consent of the Panel, agree and (if required) the Court may approve.

**Scheme approval**

The Scheme will be conditional upon:

- 2 (i) approval of the Scheme by a majority in number representing not less than 75% of the voting rights attaching to the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof) who are on the register of members of NMR at the Voting Record Time, present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meetings; and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow);
- 3 (i) all Resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority at the General Meeting or at any adjournment thereof; and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow); and
- 4 (i) the sanction of the Scheme by the Court (without modification, or with modification on terms acceptable to ABF and NMR) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies for registration; and (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as ABF and NMR may agree with the consent of the Panel (if required) and the Court may allow).

**General conditions**

In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following matters set out in this Part A of Appendix 1 and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended if appropriate) have been satisfied, or, where relevant, waived:

**Official authorisations, regulatory clearances and third party clearances**

- 5 one of the following having occurred:
- 5.1 by the time of the sanction of the Scheme by the Court, and following the submission of a Briefing Paper to the CMA's Mergers Intelligence Unit in connection with the Acquisition, the CMA has responded to the Briefing Paper to indicate that it does not require any further information, and has not commenced a Phase 1 Investigation; or
- 5.2 where the CMA has commenced a Phase 1 Investigation following the submission of the Briefing Paper:
- (a) the CMA has announced that it has decided not to make a Phase 2 Reference; or
- (b) in accordance with section 73(2) of the Enterprise Act 2002, the CMA has formally accepted undertakings in lieu of a Phase 2 Reference.
- 6 the waiver (or non-exercise within any applicable time limits) by any Third Party of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider NMR Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, NMR by ABF or any member of the Wider ABF Group;
- 7 all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider ABF Group of any shares or other securities in, or control of, NMR and all authorisations, orders,

grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary or appropriate by ABF or any member of the Wider ABF Group for or in respect of the Acquisition including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, NMR or any member of the Wider NMR Group by any member of the Wider ABF Group having been obtained in terms and in a form satisfactory to ABF from all appropriate Third Parties or persons with whom any member of the Wider NMR Group has entered into contractual arrangements and all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider NMR Group which is material in the context of the ABF Group or the NMR Group as a whole or of the financing of the Acquisition remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

8 no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or would reasonably be expected to:

- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider ABF Group or any member of the Wider NMR Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider ABF Group or the Wider NMR Group in either case taken as a whole;
- (ii) require, prevent or materially delay the divestiture by any member of the Wider ABF Group of any shares or other securities in NMR;
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider ABF Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider NMR Group or the Wider ABF Group or to exercise voting or management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider ABF Group or of any member of the Wider NMR Group to an extent which is material in the context of the Wider ABF Group or the Wider NMR Group in either case taken as a whole;
- (v) make the Acquisition, its implementation or the acquisition or proposed acquisition by ABF or any member of the Wider ABF Group of any shares or other securities in, or control of NMR void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- (vi) require any member of the Wider ABF Group or the Wider NMR Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider NMR Group or the Wider ABF Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider NMR Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition; or
- (viii) result in any member of the Wider NMR Group ceasing to be able to carry on business under any name under which it presently does so, and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any NMR Shares having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement etc.**

9 save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider NMR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the proposed acquisition of

any shares or other securities (or equivalent) in NMR or because of a change in the control or management of NMR or otherwise, could or would reasonably result in any of the following, to an extent which is material and adverse in the context of the Wider NMR Group, or the Wider ABF Group, in either case taken as a whole, or in the context of the Acquisition:

- (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
- (iv) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
- (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material Authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider NMR Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) (inclusive) of this Condition, in each case to the extent material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

#### **Certain events occurring since Last Accounts Date**

10 save as Disclosed, no member of the Wider NMR Group having, since the Last Accounts Date:

- (i) save as between NMR and wholly-owned subsidiaries of NMR or for NMR Shares issued under or pursuant to the exercise of options and vesting of awards granted under the NMR Share Schemes, issued or agreed to issue, or authorised or proposed the issue of, additional shares of any class;
- (ii) save as between NMR and wholly-owned subsidiaries of NMR or for the grant of options and awards and other rights under the NMR Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) other than to another member of the NMR Group, prior to completion of the Acquisition, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
- (iv) save for intra-NMR Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any

intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;

- (v) save for intra-NMR Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
- (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-NMR Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
- (viii) save for intra-NMR Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or would reasonably be expected to involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (x) (other than in respect of a member of the Wider NMR Group which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider NMR Group or the Wider ABF Group other than of a nature and extent which is normal in the context of the business concerned;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider NMR Group taken as a whole;
- (xiii) made any material alteration to its articles of association;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition 11;
- (xvi) made or agreed or consented to any change to:
  - a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider NMR Group for its directors, employees or their dependents, including the NMR Group Personal Pension Plan;
  - b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

- c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
- d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

- (xvii) proposed, agreed to provide or modified the terms of any of the NMR Share Schemes or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider NMR Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider NMR Group, save as agreed by the Panel (if required) and by ABF, or entered into or changed the terms of any contract with any director or senior executive;
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of NMR Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;
- (xix) entered into or varied in a material way the terms of, any contracts, agreement or arrangement with any of the directors or senior executives of any members of the Wider NMR Group; or
- (xx) waived or compromised any claim which is material in the context of the Wider NMR Group taken as a whole, otherwise than in the ordinary course;

#### **No adverse change, litigation or regulatory enquiry**

11 save as Disclosed, since the Last Accounts Date:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider NMR Group which, in any such case, is material in the context of the Wider NMR Group taken as a whole and no circumstances have arisen which would or would reasonably be expected to result in such adverse change or deterioration;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider NMR Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider NMR Group having been instituted, announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider NMR Group which in any such case has had or would reasonably be expected to have a material adverse effect on any member of the Wider NMR Group taken as a whole or in the context of the Acquisition;
- (iii) no contingent or other liability of any member of the Wider NMR Group having arisen or become apparent to ABF or increased which has had or would reasonably be expected to have a material adverse effect on any member of the Wider NMR Group taken as a whole, or in the context of the Acquisition;
- (iv) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member by or the Wider NMR Group which in any case is material in the context of the Wider NMR Group taken as a whole;
- (v) no member of the Wider NMR Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider NMR Group as a whole or material in the context of the Acquisition; and
- (vi) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider NMR Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect on the Wider NMR Group taken as a whole;



## No discovery of certain matters

12 save as Disclosed, ABF not having discovered:

- (i) that any financial, business or other information concerning the Wider NMR Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider NMR Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this announcement by disclosure either publicly or otherwise to ABF or its professional advisers, in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole;
- (ii) that any member of the Wider NMR Group or partnership, company or other entity in which any member of the Wider NMR Group has a significant economic interest and which is not a subsidiary undertaking of NMR, is subject to any liability (contingent or otherwise), other than in the ordinary course of business and in each case, to the extent which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition; or
- (iii) any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole or in the context of the Acquisition;

13 save as Disclosed, ABF not having discovered that:

- (i) any past or present member of the Wider NMR Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole;
- (ii) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider NMR Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider NMR Group (or on its behalf) or by any person for which a member of the Wider NMR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider NMR Group taken as a whole or the Acquisition;
- (iii) circumstances exist (whether as a result of the making of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider ABF Group or any present or past member of the Wider NMR Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider NMR Group (or on its behalf) or by any person for which a member of the Wider NMR Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider NMR Group taken as a whole or the Acquisition; or
- (iv) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider NMR Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider NMR Group and which is material in the context of the Wider NMR Group taken as a whole or the Acquisition;

## Anti-corruption, economic sanctions, criminal property and money laundering

14 save as Disclosed, ABF not having discovered that:

- (i) (A) any past or present member, director, officer or employee of the Wider NMR Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks or (B) any person that performs or has performed services for or on behalf of the Wider NMR Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks;
- (ii) any asset of any member of the Wider NMR Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider NMR Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (iii) any past or present member, director, officer or employee of the Wider NMR Group or any person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
  - a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
  - b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable blocking law;
- (iv) any past or present member, director, officer or employee of the Wider NMR Group or any person for whom any such person may be liable or responsible:
  - a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations;
  - b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
  - c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
  - d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement;
- (v) any member of the Wider NMR Group is or has been engaged in any transaction which would cause ABF to be in breach of any law or regulation upon its Acquisition of NMR, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any other relevant government authority.

## **Part B**

### **Waiver and Invocation of the Conditions**

- 1 Subject to the requirements of the Panel and in accordance with the Code, ABF reserves the right in its sole discretion to waive in whole or in part, all or any of the conditions set out in Part A above, except Conditions 2(i), 3(i) and 4(i) which cannot be waived. If any of the Conditions 2(ii), 3(ii) or 4(ii) are not satisfied by the relevant deadline specified in the relevant Condition, ABF shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with NMR to extend the relevant deadline.
- 2 Under Rule 13.5(a) of the Code and subject to paragraph 3 below, ABF may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to ABF in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Conditions 2(i), 3(i) and 4(i), and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.
- 3 If the Panel requires ABF to make a mandatory offer for NMR Shares under the provisions of Rule 9 of the Code, ABF may make such alterations to the Conditions and the terms of the Acquisition as are necessary to comply with the provisions of that Rule.

### **Implementation by way of Takeover Offer**

- 4 Subject to obtaining the consent of the Panel, ABF reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme.
- 5 In such event, such Takeover Offer will be implemented on the same terms and conditions and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, and an acceptance condition set at up to 90% of the NMR Shares to which the Takeover Offer relates (or, with the consent of the Panel, such lower percentage provided that if the Takeover Offer became or was declared unconditional in all respects, it would result in ABF holding NMR Shares carrying greater than 50% of the voting rights in NMR)). Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient NMR Shares are otherwise acquired, it is the intention of ABF to apply the provisions of the Companies Act to acquire compulsorily any outstanding NMR Shares to which such Takeover Offer relates.

### **Certain further terms of the Acquisition**

- 6 NMR Shares will be acquired by ABF fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective.
- 7 If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by NMR or becomes payable in respect of the NMR Shares, ABF reserves the right to reduce the consideration payable for each NMR Share under the terms of the Acquisition by the amount per NMR Share of such dividend or distribution, or other return of value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, NMR Shareholders would be entitled to retain any such dividend, distribution or return of value. Any exercise by ABF of its rights referred to in this paragraph 7 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
- 8 To the extent that any such dividend or other distribution and/or other return of capital announced, declared, paid or made is: (a) transferred pursuant to the Acquisition on a basis which entitles ABF to receive the dividend or other distribution and to retain it; or (b) cancelled, then in either case the consideration payable in respect of the Acquisition will not be subject to change and shall not be reduced in accordance with paragraph 7.
- 9 The Acquisition will be subject, among other things, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document and such further terms as may be required to comply with the Aquis Rules and the provisions of the Code.
- 10 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

- 11 The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate determined by ABF to be or remain satisfied by 11.59 p.m. (London time) on the Long Stop Date.
- 12 This announcement and any rights or liabilities arising hereunder are, and the Acquisition, the Scheme, and any proxies will be, governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the FCA, Acquis, and the Acquis Rules.

## **APPENDIX 2**

### **BASES AND SOURCES**

In this announcement:

- 1 As at the close of business on 05 June 2023, being the last Business Day prior to this announcement, NMR had in issue 21,239,702 NMR Shares.
- 2 Unless otherwise stated, all prices and Closing Prices of NMR Shares are closing middle market quotations derived from the website of Aquis.
- 3 The fully diluted share capital of NMR (being 22,316,226 NMR Shares) is calculated on the basis of:
  - the number of issued NMR Shares referred to in paragraph 1 above; and
  - 1,076,524 NMR Shares which may be issued on or after the date of this announcement on the exercise of options or vesting of awards granted or agreed to be granted under the NMR Share Schemes.
- 4 Certain figures contained in this announcement have been subject to rounding adjustments.

**APPENDIX 3**  
**DETAILS OF IRREVOCABLE UNDERTAKINGS**

**Irrevocable undertakings from the NMR Directors**

The NMR Directors holding NMR Shares have each given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept the Takeover Offer) in respect of the following NMR Shares:

<b>Name of NMR Director</b>	<b>Number of NMR Shares</b>	<b>Percentage of the issued NMR Shares</b>
Andy Warne	176,252	0.83%
Dr James Andrews	4,189	0.02%
Mark Frankcom	61,385	0.29%
Trevor Lloyd	42,966	0.20%
<b>Total</b>	<b>284,792</b>	<b>1.34%</b>

These irrevocable undertakings cease to be binding if:

- 1 the Scheme Document has not been posted within 28 days of the date of issue of this announcement (or within such longer period as ABF, with the consent of the Panel, determines);
- 2 the Panel consents to ABF not proceeding with the Acquisition;
- 3 the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Long Stop Date (other than in circumstances where ABF has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code);
- 4 any competing offer for the issued and to be issued ordinary share capital of NMR is made which is declared wholly unconditional (if implemented by way of a Takeover Offer) or otherwise becomes effective (if implemented by way of a Scheme); or
- 5 ABF announces (with the consent of the Panel) that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time.

### Irrevocable undertakings from certain NMR Shareholders

The following NMR Shareholders have each given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept the Takeover Offer) in respect of the following NMR Shares:

Name of NMR Shareholder	Number of NMR Shares	Percentage of the issued NMR Shares
High Street Partners, Ltd	2,974,783	14.01%
Working Capital Partners, Ltd	3,335,217	15.70%
Custodial Capital Management Limited	1,524,964	7.18%
ICM Investment Management Limited	117,370	0.55%
Livestock Improvement Corporation Limited	4,000,000 <sup>1</sup>	18.83%
Genus plc	2,120,000	9.98%
<b>Total</b>	<b>14,072,334</b>	<b>66.25%</b>

<sup>1</sup> In addition, ABF has received an undertaking from Livestock Improvement Corporation Limited to act on a reasonable endeavours basis to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) in respect of 194,880 NMR shares (representing, in aggregate, approximately 0.92% of the NMR Shares in issue on the Last Practicable Date).

These irrevocable undertakings cease to be binding if:

- 1 the Scheme Document has not been posted within 28 days of the date of issue of this announcement (or within such longer period as ABF, with the consent of the Panel, determines);
- 2 the Panel consents to ABF not proceeding with the Acquisition;
- 3 the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Long Stop Date (other than in circumstances where ABF has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code);
- 4 ABF announces (with the consent of the Panel) that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Takeover Offer or Scheme is announced in accordance with Rule 2.7 of the Code at the same time; or
- 5 a competing offer to acquire NMR is announced, however structured, under which the value of the consideration payable to NMR Shareholders for each NMR Share represents at least 10% or more than that payable pursuant to the Acquisition.

## **APPENDIX 4 DEFINITIONS**

<b>"AB Agri"</b>	AB Agri Limited, a company incorporated in England and Wales with registered number 00193800
<b>"ABF"</b>	Associated British Foods plc, a company incorporated in England and Wales with registered number 293262
<b>"ABF Board" or "ABF Directors"</b>	the board of directors of ABF as at the date of this announcement or, where the context so requires, the board of directors of ABF from time to time
<b>"ABF Group"</b>	ABF and any of its direct or indirect subsidiaries and subsidiary undertakings
<b>"Acquisition"</b>	the proposed recommended acquisition to be made by ABF pursuant to which AB Agri will acquire the entire issued and to be issued ordinary share capital of NMR to be effected by means of the Scheme (or, if ABF so elects and subject to the consent of the Panel, a Takeover Offer) on the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document
<b>"Appendices"</b>	the appendices to this announcement
<b>"AQSE Growth Market"</b>	the multilateral trading facility operated by Aquis that is registered as an SME Growth Market in accordance with article 33 of MiFID
<b>"Aquis"</b>	Aquis Stock Exchange Limited, a recognised investment exchange under section 290 of FSMA
<b>"Aquis Rules"</b>	the AQSE Growth Market Apex Rulebook, which sets out the admission requirements and continuing obligations of companies seeking admission to, and whose shares are admitted to trading on, the Apex Segment of the AQSE Growth Market
<b>"Briefing Paper"</b>	a briefing paper prepared in accordance with the CMA's "Guidance on the CMA's Mergers Intelligence Function (CMA56 Revised)" (or any updated or revised guidance as may be issued from time to time)
<b>"Business Day"</b>	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London
<b>"Canaccord Genuity"</b>	Canaccord Genuity Limited, which is authorised and regulated by the FCA
<b>"Closing Price"</b>	the closing middle market quotation for an NMR Share at the close of business on the day to which such price relates, as derived from the website of Aquis
<b>"CMA"</b>	the UK Competition and Markets Authority, being the independent body which conducts inquiries into mergers, markets and the regulation of the major regulated industries in the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time)
<b>"Code"</b>	the City Code on Takeovers and Mergers
<b>"Companies Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Confidentiality Agreement"</b>	the confidentiality agreement between AB Agri and NMR relating to the Acquisition, as described in paragraph 12 of this announcement
<b>"Co-operation Agreement"</b>	the agreement dated on or about the date of this announcement between ABF and NMR, as described in paragraph 12 of this announcement
<b>"Conditions"</b>	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 of this announcement and to be set out in the Scheme Document
<b>"Court"</b>	the High Court of Justice of England and Wales



<b>"Court Meeting"</b>	the meeting or meetings of the Scheme Shareholders (or of any class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof
<b>"CREST"</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & International Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>"Dealing Disclosure"</b>	has the meaning given to it in Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
<b>"Disclosed"</b>	<ul style="list-style-type: none"> <li>(a) matters fairly disclosed in the information made available to ABF (or its respective officers, employees, agents or advisers in their capacity as such) in the data room established by NMR for the purposes of the Acquisition;</li> <li>(b) information fairly disclosed in writing by or on behalf of NMR to ABF (or its respective officers, employees, agents or advisers in their capacity as such) prior to the date of this announcement;</li> <li>(c) information included in the annual report and accounts of the NMR Group for the financial year ended 30 June 2022 or the interim results of the NMR Group for the six months ended 31 December 2022;</li> <li>(d) information disclosed in a public announcement to an RIS made by or on behalf of NMR prior to the date of this announcement; or</li> <li>(e) information disclosed in this announcement</li> </ul>
<b>"Disclosure Table"</b>	the disclosure table on the Panel's website at <a href="http://www.thetakeoverpanel.org.uk">www.thetakeoverpanel.org.uk</a>
<b>"Effective"</b>	<p>in the context of the Acquisition:</p> <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Order to the Registrar of Companies for registration; or</li> <li>(b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in accordance with the requirements of the Code</li> </ul>
<b>"Effective Date"</b>	the date upon which the Acquisition becomes or is declared Effective
<b>"Excluded Shares"</b>	any NMR Shares (i) beneficially owned by ABF or any member of the ABF Group; or (ii) held in treasury by NMR in each case, immediately prior to the Scheme Record Time
<b>"FCA"</b>	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA
<b>"Forms of Proxy"</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which will accompany the Scheme Document
<b>"FSMA"</b>	the Financial Services and Markets Act 2000, as amended
<b>"General Meeting"</b>	the general meeting of NMR to be convened in connection with the Scheme to consider and, if thought fit, approve the Resolutions (with or without amendment), notice of which will be set out in the Scheme Document, including any adjournment, postponement or reconvening thereof
<b>"Last Accounts Date"</b>	30 June 2022
<b>"Last Practicable Date"</b>	05 June 2023 (being the last Business Day prior to the date of this announcement)

<b>"Long Stop Date"</b>	29 February 2024 or such later date (if any) as ABF and NMR may, with the consent of the Panel, agree and (if required) the Court may allow
<b>"Market Abuse Regulation"</b>	the UK version of Regulation (EU) No 596/2014 which forms part of the UK domestic law by virtue of the European Union (Withdrawal) Act 2018
<b>"MiFID"</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending by the European Parliament and Council Directive of 9 December 2002 on insurance mediation (No 2002/92/EC) and the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
<b>"NMR"</b>	National Milk Records plc, a company incorporated in England and Wales with registered number 03331929
<b>"NMR Articles"</b>	the articles of association of NMR from time to time
<b>"NMR Board" or "NMR Directors"</b>	the board of NMR as at the date of this announcement or, where the context so requires, the board of directors of NMR from time to time
<b>"NMR Group"</b>	NMR and its subsidiary undertakings and, where the context permits, each of them
<b>"NMR Shareholders"</b>	all holders of NMR Shares from time to time
<b>"NMR Shares"</b>	<p>the ordinary shares of 0.25 pence each in the capital of NMR and includes:</p> <ul style="list-style-type: none"> <li>(a) the existing and unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 0.25 pence each in the capital of NMR;</li> <li>(b) any further ordinary shares of 0.25 pence each in the capital of NMR which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine); and</li> <li>(c) any NMR Shares held as treasury shares that are transferred out of treasury before the Scheme becomes Effective (or such earlier date or dates as ABF may, subject to the Code, determine)</li> </ul>
<b>"NMR Share Schemes"</b>	<ul style="list-style-type: none"> <li>(a) the National Milk Records plc Executive Plan;</li> <li>(b) the National Milk Records plc Bonus Plan;</li> <li>(c) the National Milk Records plc Approved Share Option Plan;</li> <li>(d) the National Milk Records plc Unapproved Share Option Plan; and</li> <li>(e) the National Milk Records plc SIP</li> </ul>
<b>"offer period"</b>	has the meaning given to it in the Code
<b>"Offer Price"</b>	215 pence per NMR Share
<b>"Opening Position Disclosure"</b>	an announcement in accordance with Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position
<b>"Panel"</b>	the UK Panel on Takeovers and Mergers
<b>"Phase 1 Investigation"</b>	an investigation by the CMA to decide whether to make a Phase 2 Reference

<b>"Phase 2 Reference"</b>	the reference of the Acquisition in accordance with sections 22 or 33 of the Enterprise Act 2002 to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales
<b>"Resolutions"</b>	the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, without limitation, a resolution to amend the NMR Articles by the adoption and inclusion of a new article under which any NMR Shares issued or transferred after the Scheme Record Time (other than to ABF and/or its nominees) shall be automatically transferred to ABF (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the NMR Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities)
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to NMR Shareholders in that jurisdiction
<b>"RIS"</b>	a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange's website
<b>"Rothschild &amp; Co"</b>	N.M. Rothschild & Sons Limited
<b>"Scheme"</b>	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between NMR and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by NMR and ABF
<b>"Scheme Court Hearing"</b>	the hearing of the Court to sanction the Scheme pursuant to Section 899 of the Companies Act and any adjournment, postponement or reconvening thereof
<b>"Scheme Court Order"</b>	the order of the Court sanctioning the Scheme under section 899 of Part 26 of the Companies Act
<b>"Scheme Document"</b>	the document to be sent to NMR Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
<b>"Scheme Record Time"</b>	the time and date to be specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date (or such other time as NMR and ABF may agree)
<b>"Scheme Shareholders"</b>	the holders of Scheme Shares
<b>"Scheme Shares"</b>	<p>NMR Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue as at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued on or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> <p>in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares</p>
<b>"SEC"</b>	the US Securities and Exchange Commission
<b>"Takeover Offer"</b>	if (subject to the consent of the Panel) ABF elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of ABF to acquire the issued and to be issued ordinary share capital of NMR on the terms

and subject to the conditions to be set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer)

<b>"Third Party"</b>	any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>"US Exchange Act"</b>	the United States Securities Exchange Act of 1934, as amended
<b>"Voting Record Time"</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of such adjourned meeting
<b>"Wider ABF Group"</b>	ABF and its subsidiary undertakings, associated undertakings and any other undertaking in which ABF and/or such undertakings (aggregating their interests) have a significant interest and for these purposes "subsidiary undertaking" and "undertaking" have the meanings given by the Companies Act 2006, "associated undertaking" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and "significant interest" means a direct or indirect interest in 20% or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act 2006)
<b>"Wider NMR Group"</b>	NMR and its subsidiary undertakings, associated undertakings and any other undertaking in which NMR and/or such undertakings (aggregating their interests) have a significant interest and for these purposes "subsidiary undertaking" and "undertaking" have the meanings given by the Companies Act 2006, "associated undertaking" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and "significant interest" means a direct or indirect interest in 20% or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act 2006)
<b>"£" or "GBP" or "pence" or "p"</b>	pounds sterling or pence, the lawful currency of the United Kingdom

For the purposes of this announcement, **associated undertaking**, **parent undertaking**, **subsidiary undertaking** and **undertaking** have the respective meanings given thereto by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

## Schedule 2

## NMR Share Plans

ABF and NMR intend that the following arrangements and acknowledgments will, subject to the Effective Date occurring, apply to the NMR Share Plans and the employees of the NMR Group.

# 1 GENERAL

1.1 NMR currently operates five share plans pursuant to which employees of the NMR Group may acquire NMR Shares.

- (a) the NMR Executive Plan;
- (b) the NMR Bonus Plan;
- (c) the NMR Approved Share Option Plan;
- (d) the NMR Unapproved Share Option Plan; and
- (e) the NMR SIP.

1.2 As at the date of this Agreement, the maximum number of NMR Shares that may be acquired pursuant to outstanding options and awards under the NMR Share Plans (**Outstanding Plan Entitlement**) is as follows:

NMR Share Plan	Maximum number of NMR Shares subject to Outstanding Plan Entitlement
NMR Executive Plan*	952,604
NMR Bonus Plan	249,569
NMR Approved Share Option Plan	56,187
NMR Unapproved Share Option Plan	193,813

\*This represents the aggregate of the Year One Entitlement (which is currently vested in respect of the number of NMR Shares set out in paragraph 2.1(a) below), and the Years Two and Three Entitlement (which are due to vest in full following exercise of appropriate discretions by the NMR Remuneration Committee, as detailed in paragraph 2.1(b) below).

1.3 In addition, 265,110 NMR Shares are held by participants pursuant to the terms of the NMR SIP.

1.4 ABF acknowledges that, before the Effective Date, NMR may (subject always to Rule 21 of the Code) continue to operate the NMR Share Plans in accordance with the rules of the relevant plan, NMR's normal practice and any other applicable terms (including, without limitation, any remuneration rules or regulations).

1.5 ABF and NMR agree that:

- (a) the Scheme Record Time (as defined in the Announcement) shall take place at such a time after the date of the Scheme Hearing, to allow those participants in the NMR Share Plans who acquire NMR Shares on or after the date of the Scheme Hearing to have those NMR Shares acquired by ABF pursuant to the Scheme;
  - (b) subject to Rule 21 of the Code, NMR may amend the rules of the NMR Share Plans if the NMR Board or NMR Remuneration Committee considers that such amendments are necessary or desirable to implement the Scheme, to facilitate the treatment of outstanding options and awards in connection with the Scheme, to facilitate the administration of the NMR Share Plans or to obtain or maintain favourable tax treatment for participants, for NMR or for any company in the NMR Group;
  - (c) NMR agrees to consult ABF before the making of any amendment to the rules of the NMR Share Plans permitted under paragraph 1.5(b) of this Schedule 2 and to provide ABF with reasonable time to review and comment on any draft amendment, and ABF agrees to co-operate as soon as possible and in good faith in the making of any such amendments;
  - (d) ABF and NMR intend to jointly write to those participants in the NMR Share Plans to whom appropriate proposals are required to be made pursuant to Rule 15 of the Code on, or as soon as practicable after, the posting of the Scheme Document to inform them of the proposals being made to them under Rule 15 of the Code (which, for the avoidance of doubt, will be to exercise their options immediately following the Scheme Hearing);
  - (e) the approval of NMR Shareholders will be sought for an amendment to the articles of association of NMR, the effect of which will be that any NMR Shares issued on or after the Effective Date will be automatically transferred to, or to the order of, ABF in exchange for the provision by ABF of the same consideration payable per NMR Share under the Scheme;
  - (f) NMR confirms that, aside from the options awards set out at paragraph 1.2 and 1.3 of this Schedule 2, there are no subsisting options or awards over NMR Shares under any other incentive plans or arrangements adopted by NMR or any member of the NMR Group;
  - (g) for the avoidance of doubt, there will be no restrictions on the vesting or exercise of any options or awards under the NMR Share Plans prior to the Scheme Record Time, subject to any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which NMR seeks to comply;
  - (h) to the extent that any NMR Shares are issued or allotted to any participant in respect of such participant's entitlement under the NMR Share Plans prior to the Scheme Record Time, NMR shall procure that such NMR Shares are recorded in the NMR register of members prior to the Scheme Record Time and listed on the Aquis Exchange prior to the Effective Date.
- 1.6 ABF acknowledges that NMR may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2, having consulted with ABF before making such submission and having provided ABF with reasonable time to review and comment on any draft submission, and ABF agrees to co-operate as soon as possible and in good faith in the making of any such submission.

## 2 NMR EXECUTIVE PLAN

### 2.1 ABF and NMR acknowledge that:

- (a) awards under the NMR Executive Plan are currently vested over, in aggregate, 252,682 NMR Shares in respect of the first year of the plan (the **Year One Entitlement**);
- (b) the NMR Remuneration Committee intends to exercise its discretion under the NMR Executive Plan to fully vest awards in respect of the second and third year of the plan to the maximum amount allowable (the **Years Two and Three Entitlement**), and to satisfy such Years Two and Three Entitlement by the issuance of, in aggregate, 699,922 NMR Shares; and
- (c) NMR intends to satisfy the Year One Entitlement and the Years Two and Three Entitlement by the issue of NMR Shares immediately following the Scheme Hearing.

## 3 NMR BONUS PLAN

ABF and NMR acknowledge that options under the NMR Bonus Plan will be exercisable in full immediately following the Announcement and that NMR will not seek to recover any employer or employee national insurance contributions from the participants on such exercise.

## 4 NMR APPROVED SHARE OPTION PLAN

ABF and NMR acknowledge that all outstanding options under the NMR Approved Share Option Plan are exercisable in full and participants will be invited to exercise in full immediately following the Scheme Hearing.

## 5 NMR UNAPPROVED SHARE OPTION PLAN

ABF and NMR acknowledge that all outstanding options under the NMR Unapproved Share Option Plan are exercisable in full and participants will be invited to exercise in full immediately following the Scheme Hearing and that NMR will not seek to recover any employer national insurance contributions from the participants on such exercise.

## 6 NMR SIP

As at the date of this Agreement, 265,110 NMR Shares are held on trust for employees of NMR under an HMRC approved Share Incentive Plan arrangement. The participants in the SIP will participate in the Scheme on the same terms as other NMR Shareholders.

## 7 SETTLEMENT OF OUTSTANDING PLAN ENTITLEMENT

- 7.1 As at the date of this Agreement, NMR's employee benefit trust (the **Trust**) holds 375,649 NMR Shares.
- 7.2 NMR confirms that there are no loans outstanding between any member of the NMR Group and the Trust.
- 7.3 ABF and NMR agree that the trustee of the Trust will be requested to use the NMR Shares that it holds to satisfy Outstanding Plan Entitlement as far as possible.
- 7.4 NMR and ABF agree that NMR shall issue a further 1,076,524 NMR Shares to satisfy the remainder of the Outstanding Plan Entitlement and ABF will provide its consent to allow such issue under Rule 21 of the Code.

- 7.5 The NMR Shares subject to the NMR SIP are already in issue.

## **8 CASHLESS EXERCISE**

- 8.1 NMR and ABF agree that arrangements will be put in place to ensure that participants may exercise their Outstanding Plan Entitlement under the NMR Executive Plan Year 1 Entitlement, NMR Approved Share Option Plan and NMR Unapproved Share Option Plan on a “cashless basis” by giving an undertaking to pay the exercise price due and or the income tax and employee national insurance contributions arising out of the consideration payable to them under the Acquisition. This means they will not be required to fund the exercise price up-front from their own funds.

## **9 ORDINARY COURSE OF BUSINESS ARRANGEMENTS**

- 9.1 ABF acknowledges and agrees that NMR may carry out annual (or other periodic) salary reviews and appraisals and promotion rounds in the ordinary course of business and in a manner consistent with historic practice as to timing, quantum and promotion criteria (as applicable).

## **10 TAKEOVER OFFER**

- 10.1 For the avoidance of doubt, should the Acquisition proceed by way of a Takeover Offer (rather than by way of Scheme), the provisions of this Schedule shall apply as far as possible on the same terms and conditions to such Takeover Offer (as applicable).