

Blackmores sale to Kirin: Shareholders vote required

Company/ASX Code	Blackmores/ BKL
Scheme meeting date	Tuesday 18 July 2023
Time and location	11am AEDT Blackmores Warriewood Campus, 20 Jubilee Ave Warriewood NSW
Registry	Computershare
Type of meeting	Physical (webcast live) https://meetnow.global/MHHGPV2
Poll or show of hands	Poll on all items
Monitor	Julieanne Mills assisted by Tony Soffer
Pre EGM Meeting?	No

Monitor Shareholding: An individual involved in the preparation of this voting intention has a shareholding in this company.

This meeting has been called to gain shareholder approval for the acquisition of Blackmores by Kirin Holdings Company Ltd (Kirin) by way of a scheme of arrangement (Scheme). The meeting is a physical meeting and voting needs to be completed by proxy (the form must be received by the company by 11 am AEST Sunday 16 July 2023) or at the physical meeting. There will be a live webcast, but NO voting or questions will be taken.

YOUR VOTE IS IMPORTANT.

The ASA will be voting all unallocated proxies FOR the approval of the Scheme BUT this is not a recommendation. We encourage all shareholders to take into account their personal circumstances and vote accordingly.

We encourage shareholders to read the Independent Expert Report and the well explained Scheme booklet before voting.

Summary

The Board is unanimously recommending a vote in favour, in the absence of a superior proposal.

The Chair's letter and key considerations pp 5-10 along with the frequently asked questions on p 10 of the Scheme Booklet provide a good overview for shareholders.

The Independent Expert's Report is comprehensive and should be read and considered. It gives a good account of the advantages and disadvantages of the takeover and goes into significant comparisons of other takeovers in similar companies.

The \$95 cash offer is for 100% of the company.

The Independent Expert's Report values the company at between \$89 and \$102 per share on a controlling interest basis. The Scheme consideration of \$95 falls within this range. The Scheme is seen as being fair and reasonable and in the best interests of shareholders, in the absence of a

superior bid. The \$95 bid equates to an acquisition multiple of 23.1 times Blackmores' EV/EBITDA for the 12 months to Dec 2022. Please read the Independent Expert's Report from p 80 for further details.

The board is considering a special dividend as part of the sale to distribute franking credits held in the company. It is yet to be determined whether this will go ahead but the amount will be deducted from the \$95 price. The potential \$3.34 maximum special dividend includes \$1.43 of franking credits, which may or may not be beneficial to shareholders depending on their individual tax circumstances. It is subject to ATO tax ruling confirmation and available funds. If a special dividend is paid its record date is scheduled for the 26 July 2023, with a payment date of 1 August 2023.

Tax implications for shareholders should be noted and may be significant for some shareholders. Please seek expert advice if unsure.

For the Scheme to be approved more than 50% of Blackmores' shareholders present and voting, and 75% of the total number of votes at the meeting are needed to approve this Scheme.

Marcus Blackmore, Blackmores' largest shareholder has agreed to sell his 18% shareholding. This may give the Scheme a greater likelihood of approval.

Retail shareholders (with less than 10,000 shares) make up 99.3% of total shareholders and 23.8% of shares on issue. Your VOTE is important!

If approved by shareholders, the court approval will be sought on the 20 July and with court approval BKL shares will be suspended from trading on 21 July 2023. There is a planned implementation date of the 10 August.

If approved, some BKL retail shareholders will be disappointed to see another Australian company delisted.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- *makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- *shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.