

# ASX Announcement

1 August 2023

## Navigator Global Investments enters into definitive transaction documents regarding settlement of the 2026 redemption payment to acquire the remaining distributions from a portfolio of strategic investments

Navigator Global Investments Limited (**‘Navigator’** or the **‘Company’**) today announces that it has entered into definitive transaction documentation with certain affiliates of GP Strategic Capital (formerly known as Dyal Capital), a platform of Blue Owl (NYSE: OWL) (such entities, as applicable, the **“GP Strategic Capital Affiliates”**), regarding the accelerated acquisition of incremental profit distributions and settlement of the 2026 redemption payment to GP Strategic Capital Affiliates previously announced on 15 June 2023.

The transaction remains subject to shareholder approvals, FIRB approval, the independent expert's report concluding that the transaction is fair and reasonable, or not fair but reasonable, to Navigator shareholders, other regulatory approvals and the satisfaction of other customary closing conditions. A summary of the key terms of the transaction is at Appendix A.

Set out below is an indicative transaction timetable to expected Completion in the fourth quarter of 2023, subject to the timing of approvals.

### Indicative Transaction timetable

Event	Description
24 August 2023	<ul style="list-style-type: none"> <li>Release of FY2023 Annual Results</li> </ul>
Early September 2023	<ul style="list-style-type: none"> <li>The Notice of Meeting and Explanatory Memorandum explaining the benefits and risks of the proposed transaction, and containing an Independent Expert's Report, are expected to be mailed to NGI shareholders</li> </ul>
Mid October 2023	<ul style="list-style-type: none"> <li>Hold NGI shareholder meeting to seek shareholder approval for the transaction including:               <ul style="list-style-type: none"> <li>to permit GP Strategic Capital Affiliates to acquire a Relevant Interest of up to 46.5% in Navigator ordinary shares under s611(7) of the Corporations Act; and</li> <li>to allow Navigator to issue the shares / convertible notes for the transaction under ASX Listing Rule 7.1</li> </ul> </li> </ul>
Following shareholder approval	<ul style="list-style-type: none"> <li>Execution of Entitlement Offer</li> </ul>

Event	Description
November 2023	<ul style="list-style-type: none"> <li>Targeted close of the transaction in November 2023 resulting in issuance of new placement shares to GP Strategic Capital Affiliates and payment of the cash consideration to GP Strategic Capital Affiliates</li> <li>Closing of the transaction is conditional upon the satisfaction of customary conditions including Foreign investment Review Board and other regulatory approvals</li> </ul>

The Board of Directors of Navigator unanimously recommend that shareholders vote in favour of the transaction, subject to no superior proposal emerging for Navigator and the Independent Expert concluding that the transaction is fair and reasonable, or not fair but reasonable, to Navigator shareholders. All directors intend to vote all the Navigator ordinary shares controlled by them in favour of the transaction and fully take-up their entitlements in the Entitlement Offer. GP Strategic Capital Affiliates have also committed to take-up all of their entitlements on a fully diluted basis in the Entitlement Offer (expected to represent approximately 36%).

Further updates on the transaction progress will be provided at Navigator’s FY23 results on 24 August 2023, including further details for the NGI shareholder meeting.

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**Authorised by:** Board of Directors

**All amounts are in US Dollars unless otherwise indicated**

## Appendix A

### Key Terms of the Implementation Agreement

#### 1. Conditions Precedent

Completion of the Transaction is subject to the satisfaction or waiver (where permitted) of the conditions precedent which include:

- (a) receipt of applicable consents and approvals for Navigator and GP Strategic Capital Affiliates, including Navigator shareholder approval, FIRB, the United Kingdom Financial Conduct Authority, Dubai Financial Services Authority, Hong Kong Securities and Futures Commission, the Central Bank of Ireland and HSR Act;
- (b) no Material Adverse Effect occurs in relation to the Navigator between date of the agreement and 10.00pm on the day before the date of the Entitlement Offer (**Launch Date**);
- (c) the independent expert has provided the independent expert report which concludes that the Transaction is fair and reasonable to shareholders or not fair but reasonable to shareholders and has not withdrawn this conclusion as at 10.00pm on the day before the Launch Date;
- (d) as at 10.00pm on the day before the Launch Date, there is not in effect or in force, any order, injunction or decree issued by any court or agency of competent jurisdiction, or other legal restraint or prohibition preventing the Transaction, and no statute, rule, regulation, order, injunction or decree that has been enacted, entered, promulgated or enforced by any regulatory authority which prohibits or makes the consummation of the Transaction illegal;
- (e) each of the Navigator's and GP Strategic Capital Affiliates' warranties are true and accurate as at the date of the Implementation Agreement and as at 10.00pm on the day before the Launch Date (other than any breaches that are not material in the context of the Transaction taken as a whole); and
- (f) there is no failure by Navigator to comply with any of the interim operating covenants in any material respect or an exit or partial sale of the business of Lighthouse by Navigator, in each case, between the date of the Implementation Agreement and 10.00pm on the day before the Launch Date.

(together, the **Conditions**)

#### 2. Implementation of the Transaction

Pursuant to the terms of the transaction documents, Navigator will directly or indirectly redeem the units owned by GP Strategic Capital Affiliates for total consideration of US\$200,000,000 (**Consideration**). This will result in the (a) cancellation of the scheduled redemption payment in CY26 to acquire GP Strategic Capital Affiliates' remaining share of the NGI Strategic Portfolio; and (b) acquisition of GP Strategic Capital Affiliates' share of profit distributions from the NGI Strategic Portfolio with effect from 1 July 2023.

On the 10th business day after receipt of all required consents and approvals (and assuming all other Conditions are satisfied) Navigator will launch the Entitlement Offer.

### 3. Funding

The Consideration is funded by Navigator as follows:

- (a) US\$80,000,000 entitlement offer to all Navigator shareholders and holders of the existing convertible notes (**Entitlement Offer**), comprising a pro rata rights issue to Navigator shareholders and a placement of shares to convertible noteholders, with any shortfall offered to those Navigator shareholders who participate in the Entitlement Offer based on their underlying shareholdings at the Entitlement Offer record date. GP Strategic Capital Affiliates have committed to exercise their entitlement in full;
- (b) US\$120,000,000 issue of Navigator shares to GP Strategic Capital Affiliates at A\$1.40 per share (**Placement**); and
- (c) any remaining Consideration will be paid by Navigator by a combination of existing cash on Navigator's balance sheet and third-party debt, provided that such third-party debt does not exceed US\$40,000,000.

If GP Strategic Capital Affiliates' relevant interest in Navigator ordinary shares exceeds 46.5%, Navigator will issue convertible notes to GP Strategic Capital Affiliates which are on the same terms as the existing convertible notes other than in respect of the conversion price and other minor changes, to give effect to the economic terms of the Entitlement Offer or Placement (as applicable).

### 4. Exclusivity

- (a) Navigator must, and must procure that the Navigator Representatives (as defined below) to, immediately cease and cause to be terminated any activities, discussions or negotiations conducted before the date of the transaction documentation with any person other than GP Strategic Capital Affiliates with respect to any Competing Proposal.
- (b) Unless the transaction documentation has been terminated in accordance with its terms, Navigator must not and must procure that each of its respective officers, directors, agents, advisors or representatives (collectively, **Navigator Representatives**), do not directly or indirectly: (i) solicit or initiate any negotiations or discussions which could reasonably be expected to lead to a Competing Proposal or (ii) encourage or facilitate inquiries or proposals, or participate in any negotiations or discussions or enter any agreement with any person which could reasonably be expected to lead to a Competing Proposal, (in the case of each (i) and (ii) other than in respect of the transactions contemplated hereby), or (iii) furnish any non-public information to any person contacting them or making an inquiry with respect to a potential Competing Proposal.
- (c) Unless the transaction documentation has been terminated in accordance with its terms, Navigator shall not, and shall cause each of the Navigator Representatives not to on its behalf, enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, or other agreement relating to any Competing Proposal.

- (d) Navigator must as soon as reasonably practical (and in any event, within 24 hours) notify GP Strategic Capital Affiliates in writing if it is approached, or if it becomes aware that any of its Navigator Representatives has been approached, by any person in relation to any activity referred to in Sections(4)(b) or (4)(c), and such notice must include (i) a general description of the nature of the approach and the material terms of the Competing Proposal and (ii) details of the identity of the relevant person, except, in the case of this clause (ii), to the extent that the directors of Navigator determine in good faith, after consultation with its external legal adviser and financial adviser, that the relevant Competing Proposal is or could reasonably be expected to become a Superior Proposal and disclosure of the identity of the relevant person could reasonably be expected to constitute a breach of what the Navigator directors consider to be their fiduciary or statutory duties or otherwise be unlawful.
- (e) Sections(4)(b)(ii), (4)(b)(iii) and (4)(c) do not apply to the extent that they restrict any person from taking or not taking any action with respect to a bona fide Competing Proposal which did not arise from a breach of Sections (4)(a) or (4)(b)(i) where the board of directors of Navigator, acting in good faith, determines: (i) after consultation with its financial adviser, that the Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and (ii) after receiving advice from its external legal adviser, that failing to respond to the Competing Proposal could reasonably be expected to constitute a breach of the Navigator directors' fiduciary or statutory duties.

## 5. Termination Rights

GP Strategic Capital Affiliates may terminate the Implementation Agreement before 10.00pm on the day before the Launch Date if:

- (a) Sean McGould stops devoting substantially all of his business time and attention to the affairs of Navigator or otherwise ceases to maintain an active management role consistent with his management role as at the date of this agreement (except in circumstances of death or permanent disability);
- (b) there is a material breach of a Navigator warranty (which is material when taken in the context of the Transaction as a whole), upon written notice of GP Strategic Capital Affiliates with a period for remedy;
- (c) Navigator materially breaches the Implementation Agreement, the interim operating covenants or any other covenant provided by Navigator, including an exit or partial sale of the Lighthouse business (**Lighthouse Exit**), (which is material when taken in the context of the Transaction as a whole, except in respect of a Lighthouse Exit) upon written notice of GP Strategic Capital Affiliates with a period for remedy;
- (d) an exit or partial sale of the business of Lighthouse by Navigator has occurred on or prior to 10.00pm on the day before the Launch Date;
- (e) any Navigator director publicly changes or withdraws its recommendation, voting intention or participation intention or publicly recommends a Competing Proposal; or
- (f) upon failure of a Condition and the parties cannot agree to an alternative structure for the Transaction (other than where due to that party's breach or the condition is for the sole benefit of the other party).

Navigator may terminate the Implementation Agreement before 10.00pm on the day before the Launch Date if:

- (a) there is a material breach of a GP Strategic Capital Affiliates warranty, (which is material when taken in the context of the Transaction as a whole), upon written notice of Navigator with a period for remedy;
- (b) GP Strategic Capital Affiliates materially breaches the Implementation Agreement and any covenants provided by GP Strategic Capital Affiliates (which is material when taken in the context of the Transaction as a whole), upon written notice of GP Strategic Capital Affiliates with a period for remedy;
- (c) if any Navigator director publicly changes or withdraws their recommendation, voting intention or participation intention or publicly recommends a Competing Proposal, but only where permitted to do so under the agreement; or
- (d) upon failure of a Condition and the parties cannot agree to an alternative structure for the Transaction (other than where due to that party's breach or the condition is for the sole benefit of the other party).

Either Navigator or GP Strategic Capital Affiliates may terminate the Implementation Agreement at any time:

- (a) upon written mutual agreement by the parties;
- (b) if: (i) any order, injunction or decree issued by any court or agency has been issued; (ii) any statute, rule regulation, order, injunction or decree has been enacted, entered, promulgated or enforced by any regulatory authority; (iii) any other legal restraint or prohibition has been made or enacted, that permanently prohibits or makes the Transaction illegal; or
- (c) if the other party fails to satisfy its Completion obligations.

## 6. Break fee

A break fee of US\$2,000,000 is payable by Navigator to GP Strategic Capital Affiliates (**Break Fee**) if:

- (a) the transaction is terminated as a result of the Navigator Directors withdrawing or adversely modifying their recommendation, voting intention or participation intention, unless the independent expert does not conclude, ceases to conclude or adversely changes its conclusion that the Transaction is fair and reasonable to shareholders or not fair but reasonable to shareholders, where the dominant reason for the conclusion or change in conclusion does not include the existence of a Competing Proposal;
- (b) GP Strategic Capital Affiliates terminate the Implementation Agreement as a result of: (i) Sean McGould ceasing to devote substantially all of his business time and attention to Navigator or ceases to maintain an active management role consistent with his management role at the date of the Implementation Agreement; or (ii) Navigator materially breaching the Implementation Agreement, the interim operating covenants or any other covenant provided by Navigator, including an exit or partial sale of the Lighthouse business (**Lighthouse Exit**), (which is material when taken in the context of the Transaction as a whole, except in the case of a Lighthouse Exit) upon written notice of GP Strategic Capital Affiliates with a period for remedy; or
- (c) a competing proposal is announced before the earlier of the shareholder meeting or the termination of the definitive transaction agreement and within 12 months of such termination, Navigator enters into a definitive agreement in respect of a competing proposal which subsequently closes at any time.

## 7. Warranties

Navigator has given customary warranties, including basic title and capacity warranties, and the following:

- At the date of the Implementation Agreement, Navigator is not aware of any information relating to Navigator Group or its businesses that would reasonably be expected to have a Material Adverse Effect.
- At the date of the Implementation Agreement, Navigator is in compliance with its continuous disclosure obligations under Listing Rule 3.1 and not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure (other than for this Transaction).

GP Strategic Capital Affiliates have given customary warranties, including basic title and capacity warranties.

## 8. Definitions

**“Competing Proposal”** means a proposed transaction or arrangement pursuant to which a person other than GP Strategic Capital Affiliates or any of their affiliates would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:

- (a) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in all or a substantial part of the business of Navigator and its subsidiaries, taken as a whole;
- (b) acquire a relevant interest (as that term is defined in sections 608 and 609 of the Corporations Act) in more than 20% of the Navigator ordinary shares or otherwise acquire control of Navigator within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with Navigator whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or any other transaction of arrangement.

**“Material Adverse Effect”** means any fact, change, development, condition, occurrence, circumstances, state of facts, event or effect (**Effect**) that individually or in the aggregate, has had, or would reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial condition or results of operations of Navigator and each of its subsidiaries (**Navigator Group**, (each a **Navigator Group Member**)) (taken as a whole) or the enforceability of the Implementation Agreement and the Transaction; provided, however, that no Effect shall be considered when determining whether a Material Adverse Effect has occurred to the extent such Effect resulted or arose from any of the following:

- (a) any change or development in capital market conditions generally or general economic conditions in the industries, markets or geographies in which the Navigator Group operates including with respect to interest rates, currency exchange rates, or the price of commodities;
- (b) any change in law or accounting standards, in each case after the date of the Implementation Agreement;

- (c) any failure, in and of itself, of the Navigator Group to meet, with respect to any period or periods, any internal forecasts or published projections, forecasts, estimates or predictions (whether internal or otherwise) of earnings, revenues, business plans, budgets or other financial or operating metrics before or after the date of the Implementation Agreement ; provided, that this clause (c) shall not prevent a determination that any Effect underlying such failure to meet forecasts or projections has resulted in a Material Adverse Effect (to the extent such Effect is not otherwise excluded from this definition of Material Adverse Effect pursuant to clauses (a), (b) or (d), (e), (f) or (g) of this definition);
- (d) any natural disaster, change in the weather or climate or any escalation or worsening thereof;
- (e) the negotiation, execution, public announcement, performance, pendency or consummation of the Transaction, including any adverse change in customer, governmental, vendor, employee, union, supplier or similar relationships primarily resulting therefrom, including as a result of the identity of GP Strategic Capital Affiliates or any of their affiliates or any communication by Navigator or any of its affiliates (including in respect of its plans or intentions for the business of Navigator);
- (f) any act of war (whether or not declared), any change or development in political, social or regulatory conditions or geopolitical conditions or other outbreak or continuation of hostilities, acts of war or terrorism or any escalation or worsening thereof;
- (g) any epidemic or pandemic (including COVID-19), any continuation, escalation or worsening thereof or any mitigation efforts of regulatory authority with respect thereto (including disruptions or downturns in the financing, banking, credit, currency or capital markets attributable thereto); or
- (h) any specific Effect which a list of persons agreed between Navigator and GP Strategic Capital Affiliates have actual (and not constructive or deemed) knowledge as of the date of the Implementation Agreement.

Any Effect resulting from the matters referred to in the foregoing proviso shall be excluded only to the extent such matters occur after the date hereof, and any effects resulting from the matters referred in clauses (a), (b), (d), (f) or (g) of this definition shall be excluded only to the extent such matters do not materially and disproportionately impact the Navigator or their subsidiaries as compared to other companies operating in the same industry.

**“Superior Proposal”** means a Competing Proposal which was not solicited, invited or initiated by Navigator or any Navigator Representatives which in the determination of the board of directors of Navigator acting in good faith, after receiving advice from Navigator's legal and financial advisers, could reasonably be expected to (a) if completed substantially in accordance with its terms, lead to a transaction more favourable to the Navigator shareholders than the transactions contemplated under the transaction documentation, and (b) be inconsistent with the fiduciary or statutory duties of the Navigator directors if the Navigator directors were to continue to recommend the transactions contemplated by the transaction documentation instead of the Competing Proposal.



## Key Terms of the Escrow Deed

Following completion of the Transaction, GP Strategic Capital Affiliates have agreed to voluntarily escrow its Navigator Shares and convertible notes, to be released as follows (**Escrow**):

- (a) 40,524,306 Navigator shares (representing approximately 8% of Navigator post-Transaction), 180 days following completion of the Transaction; and
- (b) all remaining Navigator shares and convertible notes held by GP Strategic Capital Affiliates, upon the announcement of Navigator's financial results for the financial year ending 30 June 2026.

The Escrow will cease to apply to the extent necessary to allow GP Strategic Capital Affiliates to accept an offer under an unconditional takeover bid for Navigator Shares or to be transferred as part of a scheme of arrangement, provided that (i) GP Strategic Capital Affiliates or any of its affiliates do not solicit or encourage that takeover bid or scheme proposal, (ii) GP Strategic Capital Affiliates notify Navigator within 48 hours of receiving an offer for sale in connection with such takeover bid or scheme proposal, and (iii) GP Strategic Capital Affiliates may only accept into, vote in favor or publicly support the takeover bid or scheme once 14 days has elapsed since providing Navigator with notice that it had received the offer. The Escrow restrictions will be re-applied if any securities are not transferred in accordance with that takeover bid or scheme of arrangement.

The Escrow will also cease to apply to the extent necessary to allow GP Strategic Capital Affiliates to undertake a reorganisation or transfer to an affiliate of GP Strategic Capital Affiliates subject to any new holder agreeing to be bound by an escrow on substantially the same terms as the Escrow.

This Escrow arrangement replaces the previous arrangement in the Shareholders Agreement.

## Key Terms of the Shareholders Agreement

The relationship between Navigator and GP Strategic Capital Affiliates are currently governed by a Shareholders Agreement between them. That Shareholders Agreement will remain in place but with the following key changes:

- GP Strategic Capital Affiliates retain their existing right to nominate a representative to the NGI Board and will also gain an observer right, with the NGI ownership threshold for these entitlements being amended from 10% to 5%.
- GP Strategic Capital Affiliates undertake not to vote some or all of its NGI shares where they exceed 49.9% of the total votes cast on a resolution of NGI shareholders. Navigator will use reasonable endeavors to provide proxy information to GP Strategic Capital Affiliates available to it 24 hours before a shareholder meeting setting out the total number of proxies cast (for, against and open), and consider in good faith any additional requests for proxy information by GP Strategic Capital Affiliates from time to time. Subject to Navigator's reasonable endeavors to provide proxy information, Navigator shall not have any liability to GP Strategic Capital Affiliates or its affiliates arising out of or in connection with the monitoring and voting of the undertaking or provision of proxy information to GP Strategic Capital Affiliates.
- GP Strategic Capital Affiliates commit to maintaining majority independent directors for the Navigator Board and an independent Chairperson. The requirement for GP Strategic Capital Affiliates to vote their shares in favor of the election of any proposed director supported by the Navigator Board has been removed.

## Key Terms of the Convertible Note Deed Poll

The 2021 Convertible Note Deed Poll will be amended from completion of the Transaction to remove the ability for cash redemption on maturity. The maturity date will automatically be extended by 3 years if regulatory approvals are required to effect conversion and have not been obtained. In addition, where GP Strategic Capital Affiliates or their affiliates are a convertible noteholder, the convertible notes cannot convert into Navigator shares if it will result in GP Strategic Capital Affiliates or any of their affiliates having a relevant interest in Navigator of more than 46.5%. The 2021 Convertible Note Deed Poll will also contain other minor changes.

The new convertible notes issued in connection with the Transaction will be issued on the same terms as the 2021 Convertible Note Deed Poll (as amended above), other than the conversion price which will reflect the price under the Entitlement Offer or Placement (as applicable) for those shares that would have otherwise been issued to GP Strategic Capital Affiliates.