



28 March 2024

QUARTERLY ACTIVITY REPORT AND APPENDIX 4C – NAMOI COTTON LIMITED (ASX: NAM)

Namoi Cotton Limited ('**Namoi**' or the '**Company**') presents its Appendix 4C cash flow statement for the quarter ended 29 February 2024 ('**Q4-FY24**'), along with the following activities update.

Business activities in the Third Quarter (Q4-FY24)

There was no material change in the business activities of the Company during Q4 – FY24.

During Q4-FY24:

- Net cash outflows from operating activities totalled \$0.9 million.
- Receipts from customers totalled \$8.3 million, compared to operating costs of \$2.0 million for the same period.
- Staff plus other administration and corporate costs totalled \$6.4 million.

Ginning revenues and payments for operating costs and cottonseed inventory are weighted to the first two quarters (i.e. the 6 months ending 31 August). Receipts from customers for cottonseed marketing and maintenance costs are generally weighted to the third and fourth quarters (i.e. the 6 months ending 29 February).

Payments to related parties, includes director fees and payments for the supply of cotton lint and by-products and director services, less the cost of ginning cotton. These payments are included within product manufacturing and operating costs and were made on an arm's length basis and in the ordinary course of business.

Business update

Forecast cotton production, in particular dryland plantings, for the 2024 season (FY25) has been supported by summer rainfall. We expect to start receiving cotton modules for ginning next month.

Australian cotton production in the 2024 season is forecast to be above average but less than the 2023 season of 5.6 million bales. Cotton Compass (www.cottoncompass.com.au) is forecasting 4.9 million bales in 2024 (3 March 2024).

Based on forecast production, we expect to gin 0.9 to 1.1 million bales of cotton in 2024 (FY25).

This announcement was approved by the Board of Namoi Cotton.

For further information, please contact:

Namoi Cotton Limited
Tim Watson
Executive Chair
(07) 4631-6104

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Namoi Cotton Limited

ABN

76 010 485 588

Quarter ended ("current quarter")

29 February 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,295	658,756
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,056)	(589,001)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(5,220)	(33,720)
(f) administration and corporate costs	(1,219)	(2,569)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	241	376
1.5 Interest and other costs of finance paid	(927)	(2,760)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(886)	31,082

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(908)	(5,277)
(j) investments	(147)	(2,631)
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	30
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	249	1,027
2.6	Net cash from / (used in) investing activities	(806)	(6,851)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	13,988
3.6	Repayment of borrowings	(8,386)	(34,602)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(963)	(963)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(9,349)	(21,577)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,572	4,877
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(886)	31,082
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(806)	(6,851)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9,349)	(21,577)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	7,531	7,531

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,531	18,572
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,531	18,572

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	361
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	77,780	27,315
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	77,780	27,315
7.5	Unused financing facilities available at quarter end		50,465
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The following secured facilities were in place with Commonwealth Bank of Australia ('CBA') at quarter end:</p> <p>A term debt facility of \$32.5 million which \$24.5 million is drawn. This is a committed, non-amortising line utilised to fund capital projects relating to the plant, property, and equipment of the business.</p> <p>A committed borrowing base facility of \$17.5 million of which \$nil was drawn. This is a non-amortising line of credit utilised to fund day to day expenses of the Company including specific funding needs for cotton seed inventory and debtors, ginning consumables, and general working capital needs.</p> <p>A further uncommitted facility of \$10.0 million, of which \$nil is drawn.</p> <p>A trade advance facility of \$3.395 million, of which \$nil is utilised.</p> <p>An overdraft facility of \$5.0 million with the CBA is also available at an interest rate (currently 8.73%) of which \$nil is utilised.</p> <p>A Contingent liability facility \$0.105 million and a commercial charge card facility \$0.250 million, of which \$nil is drawn at the period end.</p> <p>The weighted average variable interest rate on the Company's interest-bearing loans is currently 5.464% pa with a line fee of 1.06% pa.</p> <p>Equipment loans for gin, packaging and logistics supply chain equipment totalling \$1.75 million which have an average term of 1.8 years with the average interest rate implicit in the contracts of 6.29% p.a. This facility has an upper limit of \$7.5 million of which \$5.7 million remains unutilised.</p> <p>Namoi Cotton Alliance holds an equipment finance facility with De Lage Landen Pty Limited. The facility cap is \$3.0 million of which \$2.078 million is currently utilised. Namoi Cotton Limited is responsible for 51% of the assets and liabilities of this operation and therefore 51% of the facility is included in the figures above.</p> <p>The term debt facility matures on 30 October 2026 and committed borrowing base facility matures on 30 October 2026.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(886)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,531
8.3 Unused finance facilities available at quarter end (item 7.5)	50,465
8.4 Total available funding (item 8.2 + item 8.3)	57,996
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	65.4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 March 2024

Authorised by: Board of Namoi Cotton Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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