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2021 ANNUAL GENERAL MEETING

Tuesday 20 July 2021



SIMPLIFY, STRENGTHEN & STRATEGY



CEO PRESENTATION

John Stevenson,
Chief Executive Officer



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- **Forward Looking Statements**

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Business & Financial Performance

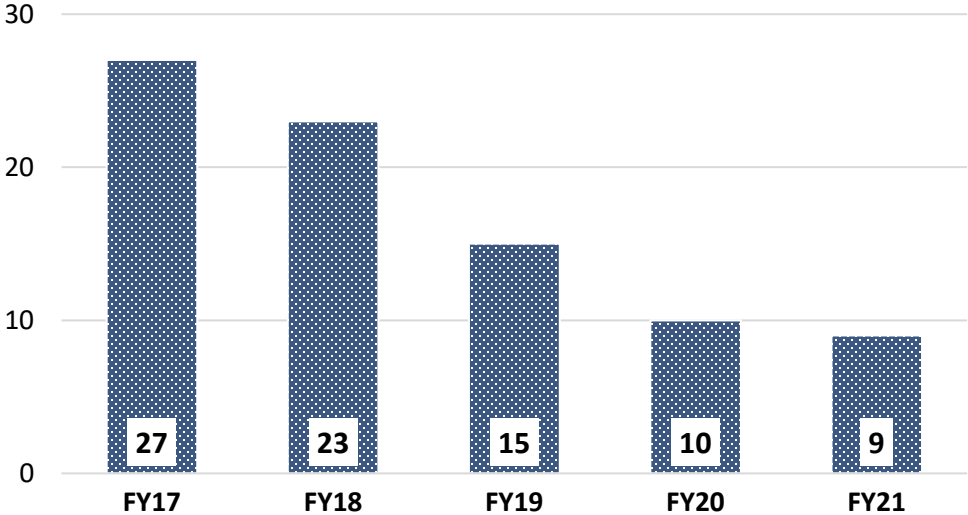
SAFETY

Committed to a safe and sustainable work environment for all employees, visitors and contractors

Year on year improvement in safety

- 66% reduction in LTIFR¹ over past 4 years
- Focus on engagement through toolbox talks and fatigue management with reopening of gins in 2021
- Resetting safety leadership program in 2022

Namoi Cotton - Lost Time Injury Frequency Rate



(1) Number of lost time injuries in the financial year / total hours worked in the financial year × 1,000,000

HEALTH, SAFETY & ENVIRONMENT LEADERSHIP



COMMITMENT BY EVERYONE EVERYWHERE EVERYDAY

INTERDEPENDENCE OF BEHAVIOURS



	Individual leader	Leader	Senior leaders	Executive leaders
Standards	Follows the standards	Ensures compliance	Sets high standards	Demonstrates commitment
Communication	Speaks up	Encourages the team	Communicates openly	Motivates and encourages
Risk management	Remains alert	Promotes risk awareness	Confront risk	Commit to risk reduction
Engagement	Gets involved	Involves the team	Actively pursue safety improvements	Inspires with compelling vision



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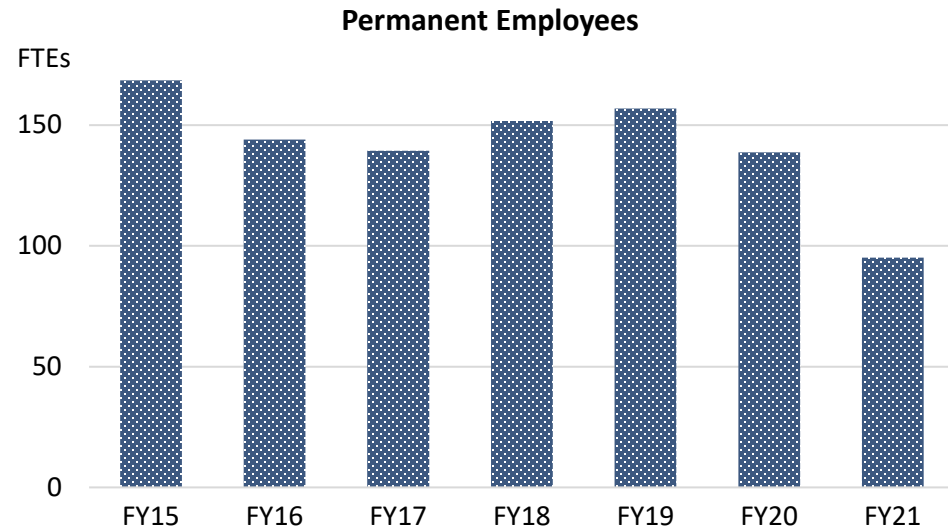
BUSINESS SIMPLIFICATION

Lower fixed cost and reduced trading risk to better manage variability through the cycle

Variable cost structure

\$4m reduction in unallocated corporate cost vs FY2020¹:

- Fixed cost base right sized for average season
- Sustainable reduction in permanent staff
- Increased use of casual staff



Reduced exposure to cotton trading

- Restructure of Namoi Cotton Alliance (NCA), joint venture with Louis Dreyfus Company, in FY2021
- Separation of NCA's supply chain activities from marketing, with Namoi having:
 - 51% interest in continuing NCA to manage warehouses, packing and supply chain
 - 15% interest in new joint venture, Namoi Cotton Marketing Alliance (NCMA), to manage cotton lint trading
- Reduced risk and access to new revenue:
 - Exposure to cotton lint trading losses (and profits) capped at \$1.5m pa
 - NCA to service both NCMA and third-party cotton merchants and other commodities

(1) Unallocated cost in FY2021 was \$(4.7) million with a corporate cost base of \$(6.8) million. Namoi Cotton reduced unallocated costs by \$4.1 million compared to FY2020 [\$ (8.8) million]

STRENGTHENED BALANCE SHEET

Balance Sheet strengthened to support improved 2022 cotton season and position company for growth

Capital Raising

Placement and Share Purchase Plan (SPP)

- \$10.7m capital raised in May 2021
- Strong support from new and existing shareholders
 - \$7.2m from placement at \$0.34 per share
 - \$3.5m from SPP at \$0.34 per share
 - 50 new shareholders to the register

Use of proceeds

- Proceeds from capital raising initially applied to reduce working capital facilities
- 50% of proceeds to fund Gin Ready program to handle forecast larger 2022 (FY2023) season
- Operating cash flow with improved seasonal conditions to support planned strategic initiatives to strengthen and grow the business

Debt facilities

Current debt facilities

- Renewed \$54.5 million debt facilities² with Commonwealth Bank of Australia to April 2022
- ANZ debt facilities transferred from NCA³ to NCMA¹
- FY2021 year end total net debt was \$51m

New debt facilities

- In discussion with banks for debt facilities from May 2022 that include:
 - Term Debt facility to support the business
 - Working Capacity facilities to fund cottonseed for marketing and other inventory for 2022 season

(1) Namoi Cotton Marketing Alliance (NCMA) – Namoi Cotton has 15% interest and Louis Dreyfus Company (LDC) has 85% interest

(2) Includes \$5m in leases and other debt liabilities

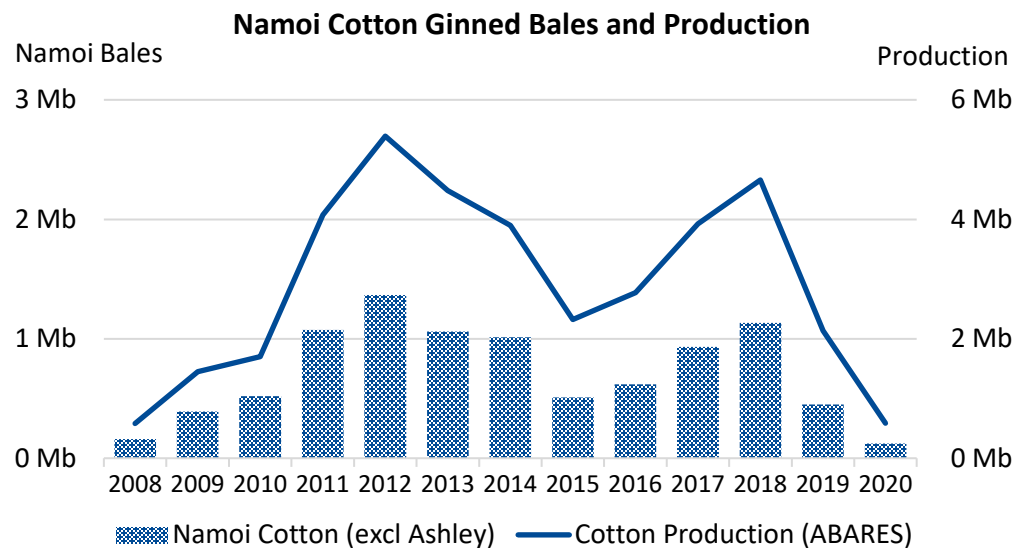
(3) NCA - Namoi Cotton Alliance (51% owned by Namoi with LDC) that was restructured in FY2021

VOLUME DRIVERS

2019 drought conditions significantly reduced 2020 (FY2021) cotton production and volume

Record low cotton production

- Lowest Australian cotton production since 2008
 - 0.5 million bales¹ in 2020 (FY2021)
 - 85% below average Australian production
- Lowest Namoi Cotton volume since 2008
 - 5 gins operated
 - 85% below average Namoi Cotton volume⁴



	FY2021	FY2020		
Cotton Production¹	0.5m bales	2.1m bales	75%	
Namoi Cotton Volumes	Ginned cotton	124,000 bales	450,000 bales	75%
	Cottonseed marketed	34,000 tonnes	112,000 tonnes	70%
	Warehoused bales²	131,000 bales	228,000 bales	40%
	Grain packed³	100,000 tonnes	29,000 tonnes	240%

(1) ABARES - production estimate (June 2021) based on 1 bale = 227kg

(2) NCA - cotton bales warehoused

(3) NCA - grain exported in the financial year

(4) 10 year average bales from FY12 to FY21 including 100% of JV gins excluding closed Ashley gin

INCOME STATEMENT

Cost saving initiatives and non-ginning income contained underlying EBITDA loss at \$(4)m

Income Statement (\$m)	FY2021	FY2020	Movement
Ginned cotton	0.1m bales	0.45m bales	(0.35m) bales
Profit after tax	(14.4)	(11.0)	(3.4)
Profit before tax	(16.5)	(15.3)	(1.2)
EBITDA	(12.7)	(4.2)	(8.5)
Ginning & Co-products	(0.8)	12.0	(12.9)
Marketing & Commodities	(7.2)	(7.4)	0.2
Unallocated	(4.7)	(8.8)	4.2
Earnings of JVs & associates ³	(8.7)	(8.5)	0.3
Underlying EBITDA²	(4.0)	4.3	(8.3)

- Ginning & Co-products - near breakeven contribution \$(0.8)m with strong earnings from cottonseed, cost savings and sale of surplus assets
- Marketing & Commodities - driven by \$(8.2)m cotton lint trading loss from NCA¹ due to volatile market
- Unallocated & Corporate - Reduction in salaries & other (\$2.1m); plus \$2.1m from JobKeeper program.

Note: See Namoi Cotton FY21 Annual Report for definitions and explanations of terms and numbers

(1) NCA - Namoi Cotton Alliance (51% owned by Namoi with LDC) that was restructured in FY2021 splitting lint trading into NCMA (15% owned by Namoi with LDC)

(2) Underlying EBITDA is a non-IFRS and unaudited measure defined as earnings before interest, tax, depreciation, and amortisation and is presented prior to the impact of joint ventures and associates and impairment charges

(3) Earnings of JVs & associates includes NCA (Namoi Cotton Alliance – 51% interest), NCPS (NC Packing Services Pty Ltd – 51% interest) and NCMA (Namoi Cotton Marketing Alliance – 15% interest)

BALANCE SHEET AND CASHFLOW

Disciplined capital management contained cash outflow at \$(3.4)m and maintained debt headroom

Balance Sheet (\$m)	FY2021	FY2020	Movement
Ginning & other assets	129.7	133.9	(4.2)
Investment in JVs	21.3	28.9	(7.6)
Capital Employed ¹	152.6	168.9	(16.3)
Equity	106.8	121.4	(14.7)
Net tangible asset / share	\$0.76	\$0.87	\$(0.11)

- Strong asset backing
 - NTA of \$0.76 per share
- No material impact on the fair value of ginning assets

Cashflow and Debt (\$m)	FY2021	FY2020	Movement
EBITDA	(12.7)	(4.2)	(8.5)
Net cash (outflow) ²	(3.4)	(3.6)	0.2
Net Debt ³	(50.8)	(45.8)	(5.0)
Gearing Ratio	32%	27%	5%

- Managed debt facilities
 - 32% gearing
 - \$46.4m drawn debt
- \$2.8m sale of surplus assets

Note: See Namoi Cotton FY21 Annual Report for definitions and explanations of terms and number

(1) Capital employed - non current assets plus working capital

(2) Net cash (outflow) - Net cash (outflow) from operating activities plus investing activities

(3) Net Debt - Current plus non current interest bearing liabilities plus lease liabilities and equipment loans less cash



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Outlook & Strategy Update



NAMOI COTTON IS MORE THAN A GINNER

Network of 4 integrated businesses operating along the cotton value chain from the grower to spinner

Fibre & Feed

Cotton Ginning

Network 9 gins in 6 valleys serving >200 growers

Gin average 835,000 bales¹
Capacity 1.5m bales

Co-products

Market cottonseed to >30 feed buyers

Sale of other co-products (mote and trash²)

Supply Chain & Marketing

Supply Chain

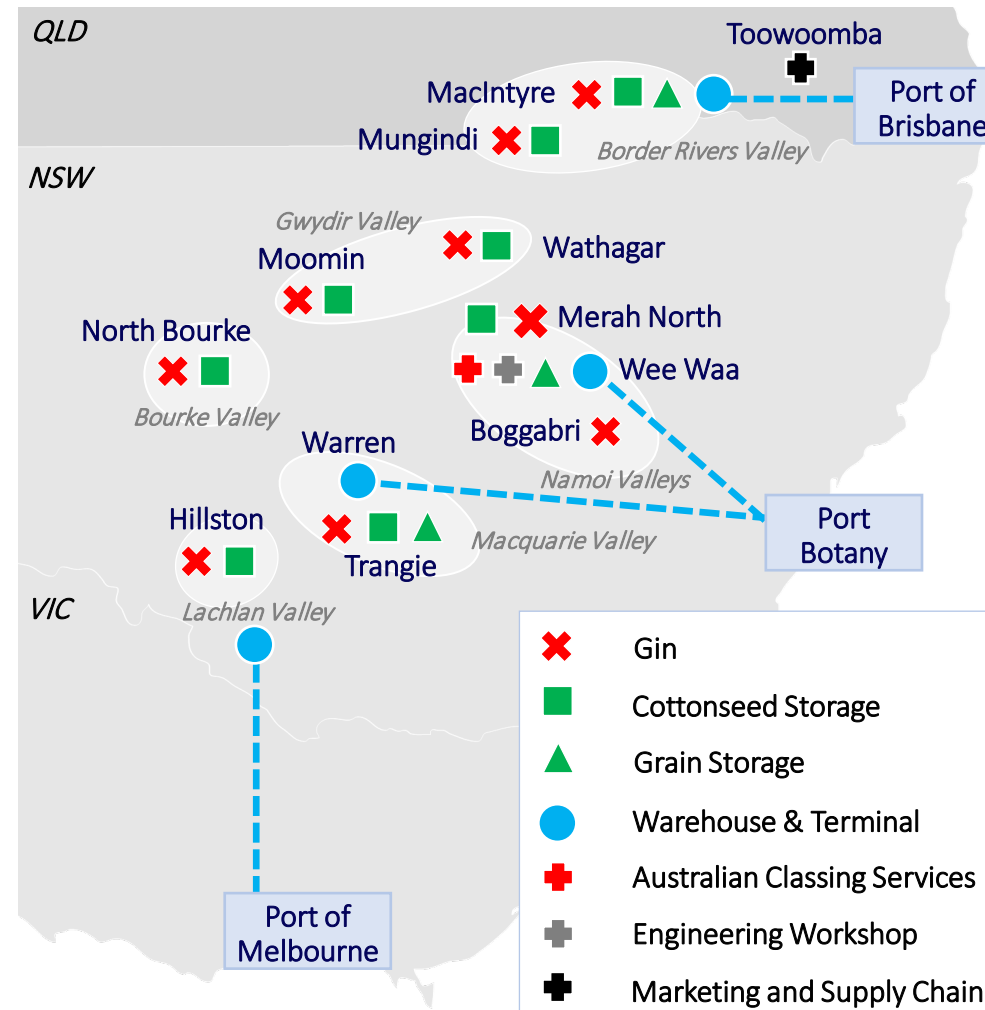
3 warehouses and 2 grain storages with 3 terminals

Pack export containers (managed by NCA³)

Cotton Marketing

Cotton classing⁵

Cotton lint trading
Export to >8 countries (managed by NCMA⁴)



(1) 10 year average (FY12-FY21) excluding closed Ashley gin

(2) Cotton lint by-products from ginning

(3) NCA JV with LDC - Namoi has 51% interest

(4) NCMA JV with LDC - Namoi has 15% interest

(5) Managed by Australian Classing Services – Namoi has 100% interest

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FY2022 – IMPROVED SEASONAL CONDITIONS

Improved seasonal conditions to increase forecast volumes by four fold from 2020 (FY2021) to 2021 (FY2022)

Improved cotton production

- Forecast 2.7 million bales¹ in 2021 (FY22)
 - ~25% below average Australian production
- Mixed improvement across production valleys
 - Record production in Bourke valley
 - Lower increases in other Namoi Cotton catchment valleys with residual drought impact

2021 (FY22) Namoi Cotton volume drivers

- Forecast 500,000 ginned bales²
 - 8 gins operating with over 60% ginned to date
 - 160 casual staff employed
- Strong support for NCA supply chain services
 - Re-opened Warren warehouse
 - Record grain packing volume
 - Managing congestion issues in Port Botany

		FY2021	FY2022F	
Cotton Production¹		0.5m bales	2.7m bales	5.4x
Namoi Cotton Volumes	Ginned cotton	124,000 bales	500,000 bales	4.0x
	Cottonseed marketed	34,000 tonnes	130,000 tonnes	3.8x
	Warehoused bales³	131,000 bales	600,000 bales	4.5x
	Grain packed⁴	100,000 tonnes	200,000 tonnes	2.0x

(1) ABARES (June 2021) based on 1 bale = 227kg

(2) Including 100% of ginned bales from joint venture gins

(3) NCA – NCMA and third party cotton bales warehoused

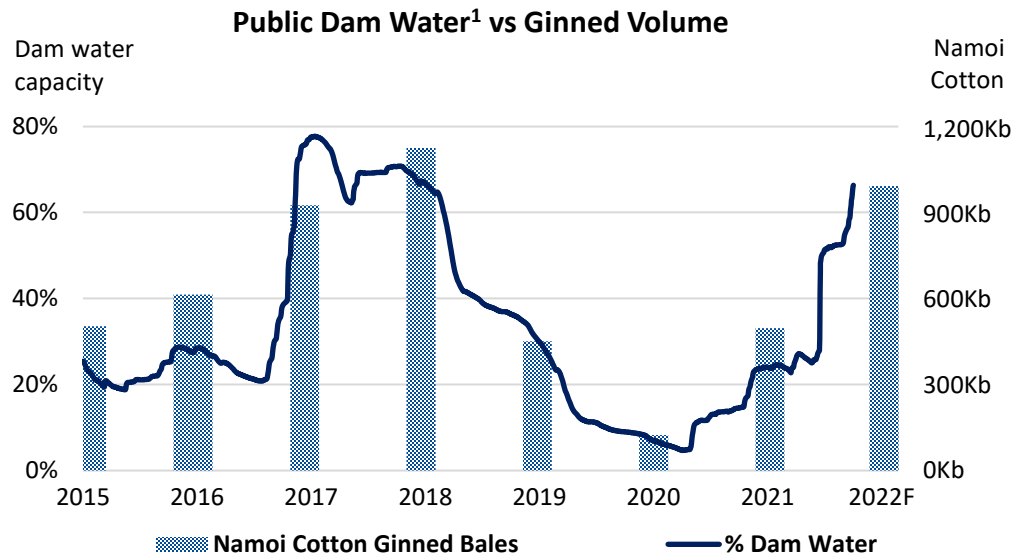
(4) NCA - Grain exported in the financial year

FY2023 – GOOD SEASONAL OUTLOOK

Increased water availability expected to support year on year increase in cotton production in 2022 (FY2023)

Increased water availability

- Forecast 1 million ginned bales for 2022 (FY23)
- Australian cotton production forecast of 4.2m bales² in 2022 [2.7m bales² in 2021]
- Significant increase in cotton production in our catchment valleys, particularly northern NSW
- Strong cotton prices and export demand



2022 Gin Ready Program

Planned initiatives to service above average volume:

1. Capacity and Service

- Upgrade Merah North gin
- New cottonseed shed at Boggabri
- Ginned cotton quality optimisation
- Preventative maintenance and critical parts

2. Talent and People

- 24 hour operation at gins
- Workforce plan for >250 casuals

3. Customers and Markets

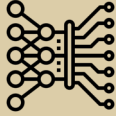



- Seeking export markets for cotton and seed
- Strengthening export supply chain

(1) Bureau of Meteorology (BOM) – weighted average water capacity in rural system public dams in Namoi catchment valleys (BOM rural systems of Border Rivers, Macintyre, Gwydir, Namoi, Macquarie, Lachlan) as at 13 July 2021. (Weighted by Namoi Cotton’s average ginned volume in the BOM rural systems)

(2) ABARES (June 2021)

4PP STRATEGY

Strengthen and differentiate Namoi Cotton's core business to increase margin with a platform for growth

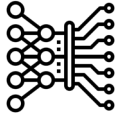
Company Objective		
Creating superior value for growers and shareholders		Value: Increase 'through the cycle' EBITDA/bale Manage variability: Reduce breakeven Dividend: Intend to pay in average (and above) seasons ¹
4 Strategic Pillars		Initiatives
 <p>1. Leading service and cost position Partner growers with a superior network → deliver a premium ginning service</p>	<ul style="list-style-type: none"> • Variable cost structure • Reduce ginning period and optimise quality • Automation and reduce bottlenecks in gins 	
 <p>2. Innovative and sustainable solutions Empower growers with differentiated products → unlock the value of cotton</p>	<ul style="list-style-type: none"> • Re-shape and optimise supply chain • New grower products • Digital platform and marketing tools 	
 <p>3. Broaden revenue base Geographically diversify network and grow the core → manage variability</p>	<ul style="list-style-type: none"> • Grow value from co-products • Scale and diversify in other production valleys • Pursue value-add in feed solutions 	
 <p>4. Great place to work Attract and retain talented staff → safe and engaging environment</p>	<ul style="list-style-type: none"> • Safe and engaged workforce • Ginning talent pipeline • Transformation readiness 	

(1) In assessing the dividend payment in future periods, the Directors may consider a number of factors, including the general business environment, the operating results and financial condition of Namoi, future funding requirements, capital management initiatives, tax considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by Namoi, and any other factors the Directors may consider relevant.

STRATEGY UPDATE

Prioritisation of initiatives to support 2022 ginning season and support long term new revenue and cost savings

1. Leading Network



Increasing daily capacity & reduced ginning period

- Gin upgrade - Merah North (\$2.2m) and new seed shed – Boggabri (\$1.9m)
 - Increasing ginning capacity and reduce ginning period for growers
 - Improve cotton quality outturn
 - Smart ginning with increased automation

2. Innovative Solutions



Grower products

- Explore new products for growers that add value to their cotton
 - Cotton module cash advance
 - Integrated warehousing
 - Quality optimisation

3. Broaden Revenue Base



Northern Australia

- Expanding presence in domestic and export cottonseed markets
- WA and northern Australia
 - Entered into a MoU with Kimberly Cotton Company
 - Exploring other opportunities in NT and northern QLD

4. Great place to work



Ginning talent

- Develop pipeline of ginning talent
 - Core ginning staff for average season
 - Alternate source of ginning staff for above average seasons

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CONCLUSION



Approved for release by the
Board of Namoi Cotton

Thank you for attending our 2021 ANNUAL GENERAL MEETING

Tuesday 20 July 2021



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