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NCA FINANCING UPDATE –  
NAMOI COTTON LIMITED (ASX: NAM)

Namoi Cotton Limited (**'Namoi'** or the **'Company'**) announced on 29 April 2020 that Namoi Cotton Alliance's (**'NCA'**) bank facilities would expire on 29 May 2020 and that Namoi was in discussions with its joint venture partner, Louis Dreyfus Company (**'LDC'**) around the best form of funding for the NCA joint venture beyond 29 May 2020.

Namoi provides the following update in regards NCA funding and specifically in regard to the extension of NCA's banking facilities with the Australia and New Zealand Banking Group Limited (**'ANZ'**) until 30 April 2021, as well as LDC's financial support for NCA. This funding update is an important step in the overall restructure of the NCA business as outlined in the Company's announcement on 25 May 2020 (**'NCA Restructure'**).

KEY ELEMENTS OF ANZ FINANCING

The extension of existing banking facilities with ANZ (**'ANZ Facility'**) was executed by NCA on 29 May 2020. The key terms and conditions, including limits, pricing, covenants, and undertakings, remain predominantly as they were prior to 29 May 2020, except where noted below.

- Facilities comprise both an inventory and margin facility.
- Expiry date extended from 29 May 2020 until 30 April 2021.
- Various new ANZ review events have been included relating to milestones in achieving the NCA Restructure, including if the parties are unable to agree definitive documentation.

ANZ's rights following a review event remain in the same market standard form as for existing documentation, and enable ANZ to require renegotiation of the ANZ Facility and, in the event of inability to agree, prepayment of the Facilities (60 business days or ~90 days after triggering the review event).

LDC FINANCING SUPPORT

LDC has agreed, in principle, to extend a US\$7.5 million facility (**'LDC Facility'**) to the NCA Trading & Marketing division in order to assist with NCA funding. Key terms and conditions, including pricing, covenants, and undertakings remain under discussion but are expected to be finalised before 12 June 2020.

## PREPAYMENT

The terms of extension of the ANZ Facility require a prepayment of ~US\$8m in margin facility by 12 June 2020. It is anticipated that up to ~US\$7m will be funded from the ANZ inventory facility with the remaining amount to be funded from the LDC Facility.

This announcement was approved by the Board of Namoi Cotton.

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**For further information, please contact:**

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