



22 March 2023

Having recently completed the 2022/23 winter harvest, Duxton Farms Limited ("**Duxton Farms**" / "**Company**") is now in a position to announce the harvest figures for the season just concluded and reaffirm guidance for the full year financial performance for FY2023.

The 2022/23 season has been defined by the severe flood event which unfolded in the Central West of New South Wales over the final few months of 2022. Approximately 70% of Duxton Farms' core portfolio in the Forbes area was subject to inundation, which not only substantially reduced the amount of harvestable land but prevented the Company from planting meaningful areas to cotton for the summer crop. The Operations Team led by Bryan Goldsmith have continued to perform well in very challenging circumstances, with those crops that were harvested having achieved broadly high grades, although the Board note that the Company's financial performance for FY2023 will be materially negatively impacted by the overall loss in volume.

#### Harvest Result

Due to the adverse weather conditions, Duxton Farms' winter harvest was completed later than would normally have been expected, with the final harvest figure for the season coming in at 8,262 tonnes compared to 37,241 tonnes last season.

Commodity	Winter Crop Production (tonnes)		Difference (%)
	2021/22 Season	2022/23 Season	
Wheat	28,561	4,324	(84%)
Barley	6,056	2,517	(58%)
Canola	2,624	1,421	(46%)
<b>Total</b>	<b>37,241</b>	<b>8,262</b>	<b>(78%)</b>

The 78% reduction in total harvest is indicative of the severity of the 2022 flood events, which according to the Insurance Council of Australia were the costliest natural disaster in the nation's modern history, and contrasts heavily with the Company's 2020/21 winter harvest, which came in at 60,486 tonnes. This difference is almost entirely attributable to the loss of significant arable areas to inundation, which meant that the Company only planted half of its planned cropping schedule, some of which had to be abandoned such that only 4,855 hectares remained productive for this season at harvest.

Despite the reduced harvest results overall, there were positive outcomes from the 2022/23 winter crop in terms of quality, with 71% of wheat, 93% of barley and 100% of canola meeting or exceeding internal baseline standards. For the wheat, the remaining 29% went to high-quality feed grades for market, while the remaining barley will be kept as feed for the Company's livestock programme on farm. As with last year, the canola crop remains a particular highlight for the Company, with the entire crop categorised in the highest quality grade and pricing locked in at a level well above market.



As investors will be aware, Duxton Farms has been executing on a strategy to expand and broaden its exposure to the Australian agricultural sector, having recently added the Piambie and Mountain Valley Station properties to its portfolio. These are not included as part of this announcement, as the timing of those transactions meant that the Company has not harvested any crops, nor executed any significant livestock sales from Piambie and Mountain Valley Station respectively.

### **Earnings Outlook**

Given the seasonal nature of the Company's revenue profile, Duxton Farms has not traditionally published formal forward-looking guidance regarding its financial performance. The current financial year has been abnormal because it became clear early in the season that the abnormal operating environment would have consequences that were known to be both significant and quantifiable.

The Company announced on the 16<sup>th</sup> of November 2022 in a release titled *2022 Flood Impact* that it expected full year FY2023 revenues of approximately \$8 million and a forecasted net loss of approximately \$6.2 million. At this stage, the Company believes that the harvest results are in line with this forecast, and it is not aware of any information which would require it to revise or alter its guidance.

### **Board Approval**

Duxton Farms confirms that this announcement has been authorised for release to the ASX by the Board of Directors.

### **Important Notice on Forward Looking Statements**

This announcement contains certain forward-looking statements that include indications of, and guidance on, future earnings, financial positions, and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, and other factors, many of which are beyond the control of the Company (for example, crop prices). Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.

*This announcement has been authorised for release by the Chairman of Duxton Farms Ltd.*

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