



## CROP UPDATE

The establishment and growth of the winter crop has been strong across the quarter for the NSW Forbes aggregation, and the rainfall received over June was beneficial for the entire cropping area. For the summer crop, grazing of dual-purpose wheat commenced in late June. Land preparation on row crop country is continuing, and the Company has completed spraying out channels around the irrigation country in preparation for the season's summer crop. At Piambe Duxton Farms will not be planting a winter crop this season, as the property development plan taking priority and expected to provide longer term benefits. Local wheat prices rose by 3% over the quarter, with Port Kembla APW1 prices ending June at \$407/tonne at port, a 4% drop over prices at the same time last year. International wheat prices ended 13% higher than last month, and 27% less than the same time last year, with US CBOT September 2023 wheat futures ending at just under US \$6.67/bushel. Increasing global production forecasts are continuing to place downward pressure on prices.

## LIVESTOCK

Adequate reserves of fodder continue to be held on farm, providing livestock with feed through the winter. The Company is continuing to trade livestock as favourable opportunities arise. The Australian Eastern Young Cattle Indicator fell over the quarter, to finish June at \$5.62/kg representing a 47% decrease on prior year. Investors should be aware that this may have an impact on the Company's profit and loss statement, which will be finalised and communicated over the coming days. Australian cattle prices are expected to remain subdued over the next few months as current supply remains strong and restocker demand weakens during dryer weather conditions. However, global demand for Australian beef is expected to rise given US production declines, expanding export opportunities for Australian beef.

## WEATHER

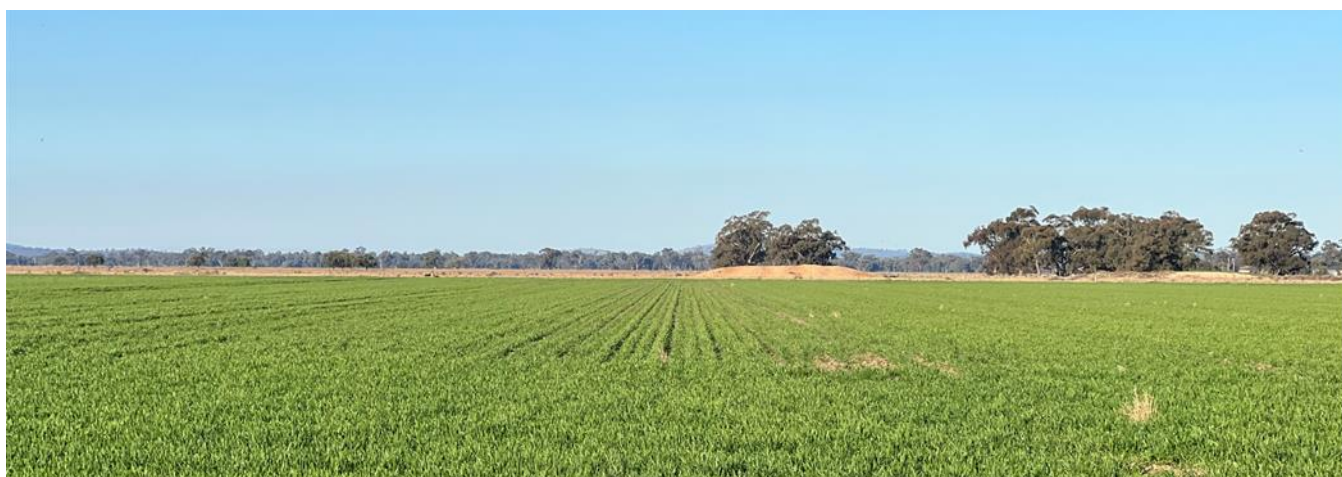
2023 saw the third consecutive La Niña and negative Indian Ocean Dipole weather events bring excessively wet conditions to eastern parts of Australia. Looking forward the Bureau of Meteorology has issued an El Niño alert, with a positive Indian Ocean Dipole possible. These weather events have led to predictions of warmer and drier than average conditions between August to October this year. With the recent wet period filling water storages Duxton Farms is well placed to manage water requirements during the dryer period.

## CASH FLOW FORECAST

The company recorded an operating cashflow deficit for the quarter ending 30 June 2023 of \$5,018,000 which can be primarily attributed to further spend on tillage, spreading, seed, fertilizer, and other consumables associated with the 2024 winter crop. Planting of the winter 2024 crop was completed ahead of schedule during May as the company took advantage of favourable weather conditions.

The Company is currently in the process of restructuring its debt facilities, which will allow greater headroom for working capital and continued asset development. Duxton Farms' financiers continue to be supportive of the business, and the Company has no reason to believe it will not be successful in continuing to access capital.

Related party transactions of \$373,000 in 6.1 of the quarterly cashflow report represent \$223,000 paid to Duxton Capital (Australia) Pty Ltd for financial services and management fees for acting as Investment Manager. Amounts totaling \$150,000 were paid to Duxton Water Ltd for water charges.



DP Wheat, West Plains

This announcement has been authorised for release by the Directors of Duxton Farms Limited

## Appendix 4C

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

**Name of entity**

Duxton Farms Ltd

**ABN**

45 129 249 243

**Quarter ended ("current quarter")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,960	8,692
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,408)	(14,941)
(c) advertising and marketing	(-)	(2)
(d) leased assets	(3)	(178)
(e) staff costs	(698)	(2,084)
(f) administration and corporate costs	(523)	(4,876)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	415
1.5 Interest and other costs of finance paid	(449)	(1,359)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	98	186
1.8 Other (provide details if material)	5	1,010
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,018)</b>	<b>(13,137)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	(1,335)
(c) property, plant and equipment	(1,883)	(6,735)
(d) investments	-	-
(e) intellectual property	-	-
(f) 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	-	109
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,883)</b>	<b>(7,961)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(106)	(303)
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	-	(1)
3.5	Proceeds from borrowings	7,322	16,006
3.6	Repayment of borrowings	(214)	(772)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>7,002</b>	<b>14,930</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	(11,577)	(5,308)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,018)	(13,137)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,883)	(7,961)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,002	14,930
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>(11,476)</b>	<b>(11,476)</b>

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	13	12
5.2	Call deposits	-	-
5.3	Bank overdrafts	(11,489)	(11,589)
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>(11,476)</b>	<b>(11,577)</b>

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	373
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	55,000	41,800
7.2	Credit standby arrangements	13,000	11,476
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	68,000	53,276
7.5	<b>Unused financing facilities available at quarter end</b>		14,724
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>CBA Overdraft \$13,000,000: Rate 6.87% maturity at call  CBA Term Debt Facility A \$16,000,000: Variable Rate 4.44% maturing 30/09/24  CBA Term Debt Facility B \$2,000,000: Variable Rate 4.70% maturing 30/09/24  CBA Term Debt Facility C \$6,000,000: Variable Rate 4.67% maturing 30/09/24  CBA Term Debt Facility D \$31,000,000: Variable Rate 5.13% maturing 30/09/24</p> <p>All facilities are secured by mortgages over property and water entitlements.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,018)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(11,476)
8.3	Unused finance facilities available at quarter end (item 7.5)	14,724
8.4	Total available funding (item 8.2 + item 8.3)	3,248
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.65
	<p><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></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: No, calculating available funding based on a single quarter of operations in a broadacre farming business is going to give volatile results due to the timing of when revenue and expenses fall across the year.</p> <p>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?</p> <p>Answer: The Company is currently in the process of restructuring its debt facilities, which will allow greater headroom for working capital and continued asset development. Duxton Farms' financiers continue to be supportive of the business, and the Company has no reason to believe it will not be successful in continuing to access capital.</p>	

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: The entity expects to be able to operate without limitation on the basis of supporting cash flow with the sale of the summer harvest and continued sales of livestock at premium prices.

*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.*

## 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: 31 July 2023

Authorised by: .....By the Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## 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.
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.