

DUXTON FARMS Q3 FY2024

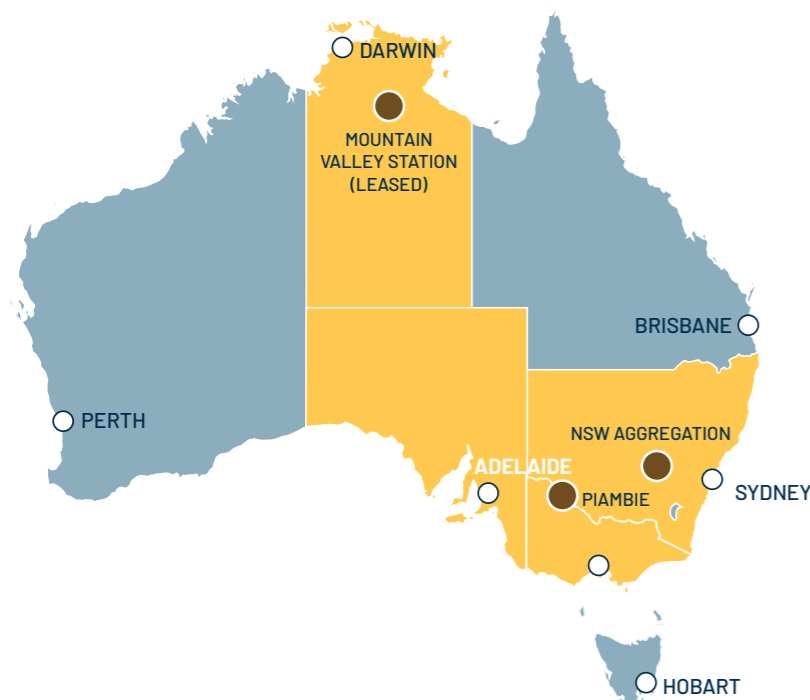
ACTIVITIES REPORT FOR QUARTER
ENDING 31 MARCH 2024



Duxton Farms Limited (“Duxton Farms” / “Company”) is an Australian agricultural enterprise that directly invests in and operates a diversified portfolio of efficient, high-quality farmland assets. As a significant landowner and an active producer of key agricultural commodities, the Company seeks to provide investors with returns through ongoing operational yields and sustainable long-term capital appreciation. Duxton Farms seeks to achieve this objective by implementing best-in-class farm management techniques at scale, to produce a diverse range of commodities in an efficient manner, all with the goal of satisfying increasing global demand for key agricultural staples.

COMPANY SNAPSHOT

Duxton Farms manages a diversified portfolio of agricultural assets spanning 165,590 hectares across New South Wales, Victoria, and the Northern Territory. The Company operates a variety of production systems producing a wide range of food, feed, and fibre products, including wheat, barley, canola, cotton, wool, and livestock. A visual overview of Duxton Farms’ property portfolio is pictured below:



PORTFOLIO

9 PROPERTIES IN 3 LOCATIONS
(1 UNDER CONTRACT)

LOCATIONS

FORBES, AND WYALONG, NSW

NATYA, VIC

KATHERINE, NT

HECTARES

24,590 OWNED
(8,432 UNDER CONTRACT)

141,000 LEASED

WATER ENTITLEMENTS (ML)

10,212 OWNED

6,798 LEASED

\$2.75

FAIR MARKET VALUE NAV PER SHARE (31 DECEMBER 2023)

\$2.63

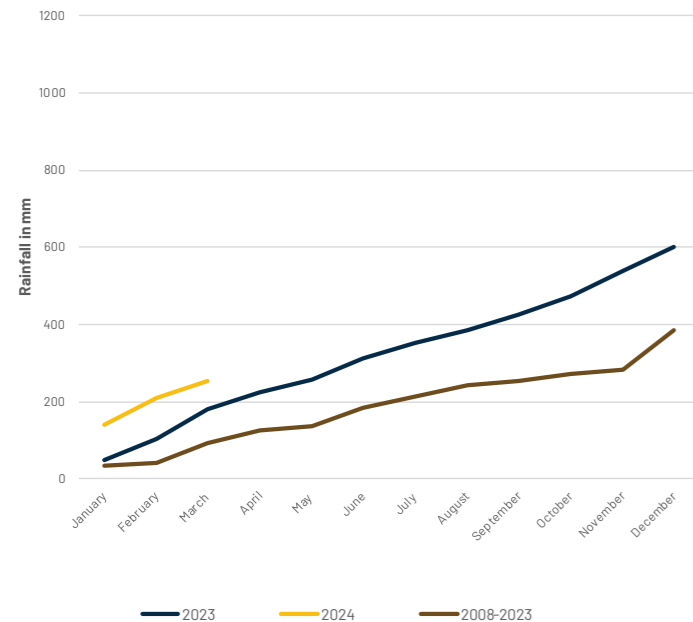
STATUTORY NAV PER SHARE (31 DECEMBER 2023)

NSW FORBES AGGREGATION

FORBES WEATHER UPDATE

The 2024 winter crop was harvested before the start of the Quarter, with sowing for the new season having commenced with canola and early wheats being sown during April across all farms. Hot dry weather has reduced surface moisture, but rain in early April across all farms has given the Company strong planting conditions for the upcoming winter crop.

**CUMULATIVE RAINFALL
(FORBES AIRPORT AWS)
2024 VS 15 YEAR AVERAGE VS 2023**



2023/24 CROP UPDATE

The 2024 winter crop was harvested before the start of the Quarter, with sowing for the new season having commenced with canola and early wheats being sown during April across all farms. Hot dry weather has reduced surface moisture, but rain in early April across all farms has given the Company strong planting conditions for the upcoming winter crop.

The cotton crop finished well in the hotter-than-usual autumn weather, and picking will commence at the start of Q4. Yields for the 2024 cotton crop are looking promising for most areas, while preparation is continuing for next summer's cotton crop with all country having been hilled up at Yarranlea and Walla Wallah.



LIVESTOCK

Overall, Livestock sales have remained steady over the quarter with pricing recovering reasonably well. Sales of livestock have been undertaken as soon as they meet the market specifications, and all lambs and calves are at Merrimont or Cowaribin to enable easier management. The Company will continue to trade livestock as opportunities arise with prudent purchasing as and when available.

IRRIGATION

Work has commenced on rebuilding head ditches for the next season, while repairs to levy banks at Yarranlea are yet to be started. The Company will assemble a pivot for West Plains in the winter.

PIAMBIE

Winter crop preparation for the next season year is progressing with plans for 560 hectares to be cultivated. Trees in the first stage of the Company's pistachio development at Glenn Innes are doing well with budding completed and trees pushing their growth following additional fertiliser and water application. Work has started on the fertiliser and compost spreading for tree mounds at the second stage ready for planting later in the calendar year. Contractors have started releveling fields at Piambie for the remainder of the planned Stage Two tree planting area.

MOUNTAIN VALLEY STATION (LEASED)

The wet season ran late with most of the grazing country still reasonably wet, meaning mustering will be delayed to the middle of May, although hired farm hands are on farm ready to commence as soon as the weather allows (this will limit the number of cattle sold this financial year). As conditions dry down the forage sorghum planted this season will be baled for use on farm. Floodway fencing has been patched and cattle moved in the last month, and additional fencing will be undertaken as conditions allow.

SHARE BUYBACK

The Company did not buy back any shares this quarter.

AUSTRALIAN MARKET INSIGHTS

WHEAT PRICES

Port Kembla APW1 (premium quality) wheat prices ended up the quarter at \$319 per tonne at port, down 15% from the previous quarter and down about 19% from the same time last year. Port Kembla barley prices ended the quarter at \$295 per tonne at port, down 12% from the previous quarter and about 14% lower than the end of the 2023 calendar year.

International wheat prices continued to move downward, reaching multi-year lows in February before adjusting upwards slightly towards the end of March, with US CBOT May 2024 wheat futures finishing at \$5.60 per bushel. EU wheat prices have faced continual pressure as Russia and the EU compete to lock in demand, though some firming has taken place off the back of heightened geopolitical tensions and production concerns in parts of Europe.

GRAIN PRICES CHANGES PAST 12 MONTHS*

Crop	Current Price (per tonne)	Price 12 Months Ago (March 2023)	Percentage Change
Port Kembla Zone Wheat (APW1)	\$319/tonne	\$395/tonne	(19%)
CBOT Wheat Futures	US\$5.48 /bushel	US\$6.92 /bushel	(21%)
Cotton	\$742.84/bale	\$687.90/bale	(8%)

COTTON PRICES

International cotton prices saw increased price volatility over the turn of the calendar year, increasing by 11% over the January and February months to 102 c/lb before returning to 97 c/lb at the end of March, or \$743 per bale as measured in Australian units. These movements resulted in a 5% increase over both the quarter and the rolling 12-month period.¹

Global cotton production and consumption estimates have trended higher, with production increases in India outpacing reduced crops in the US and Argentina, and China and India offsetting lower consumption estimates for Turkey and other smaller countries.²

AUSTRALIAN COTTON PRICES



¹ ABARES, 2024, *Weekly Australian Climate, Water and Agricultural Update*

² USDA, 2024, *World Agricultural Supply and Demand Estimates*

AUSTRALIAN MARKET INSIGHTS (CONT.)

LIVESTOCK PRICES

Livestock markets cooled off slightly in the third quarter after a sizeable run at the end of the 2023 calendar year. The Beef Eastern Young Cattle Indicator finished 4% up for the quarter, while the Lamb Eastern Trade Indicator finished roughly flat on December closing figures¹. Year over year, the Beef Index is down 13% and the Lamb Index is down 7%.

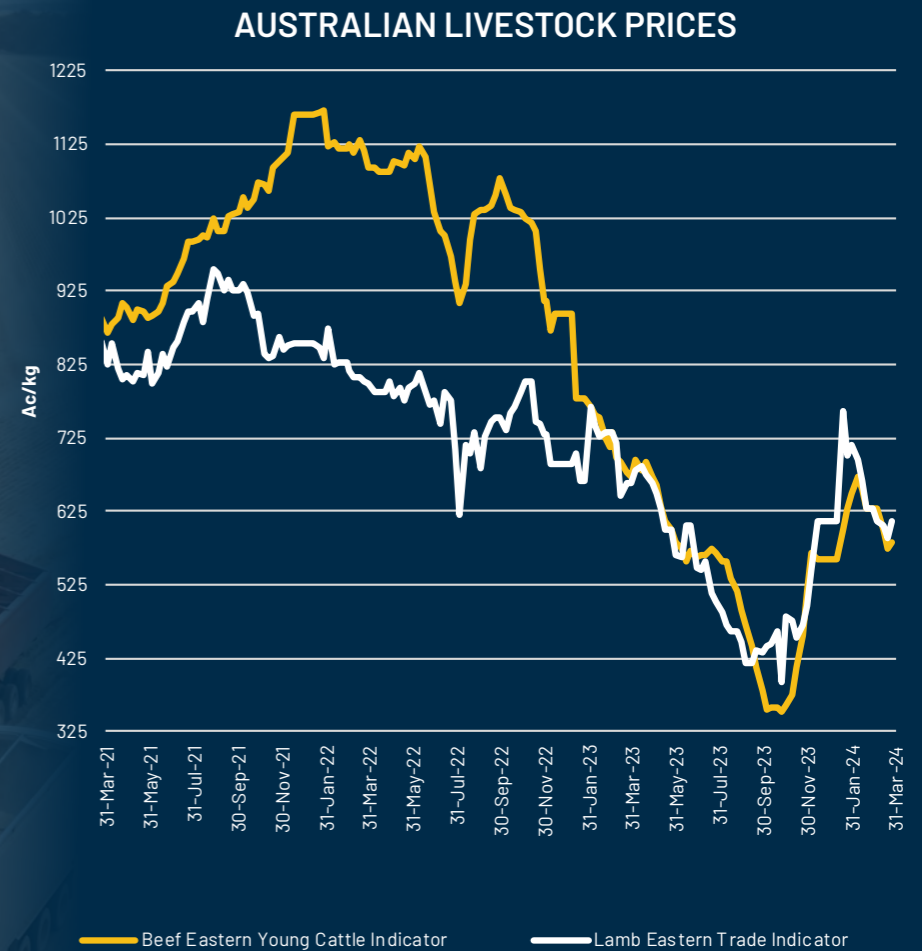
The national herd is expected to decrease slightly as drier weather conditions place constraints on feed, and as producers seek to mitigate the risk of overgrazing. As a result, beef and veal production is expected to rise, increasing export volumes.

WOOL PRICES

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The Wool Eastern Market Indicator finished 3% down for the quarter, finishing at \$11.42 per kilogram after reaching a high of \$12.13 per kilogram in January.

WOOL EASTERN MARKET INDICATOR



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

Stock	Current Price (per kg)	Price 12 Months Ago (March 2023)	Percentage Change
Beef	\$5.82	\$6.72	(13%)
Lamb	\$6.13	\$6.62	(7%)
Wool	\$11.42	\$13.18	(13%)

AUSTRALIAN MARKET INSIGHTS

(CONT.)

NATIONAL CROP PRODUCTION

Australia harvested an estimated 46.7 million tonnes for the 2024 winter season, which is below last year's bumper crop but slightly above the 10-year average according to ABARES. The crop estimate was generally revised upwards as the season progressed, as what had been expected to be a fairly dry El Niño season registered higher -than-expected rainfall. The final harvest totals were 26 million tonnes of wheat, 10.8 million tonnes of barley and 5.7 million tonnes of sorghum, with production being led by Western Australia with 14.7 million tonnes, New South Wales with 11 million tonnes, and Victoria with 10.4 million tonnes.

The 2024 summer crop is similarly expected to fall from last year's highs but remain above the 10-year average at 4.3 million tonnes (this is a significant revision up from the previous estimate of 3.8 million tonnes). The season had a hot and dry start, with wet weather on the eastern seaboard brought on by cyclones Kirrily and Lincoln after the crop had largely been established. The summer crop is expected to be largely composed of sorghum, with smaller areas of cotton and rice having been planted relative to previous years.³

NATIONAL WEATHER

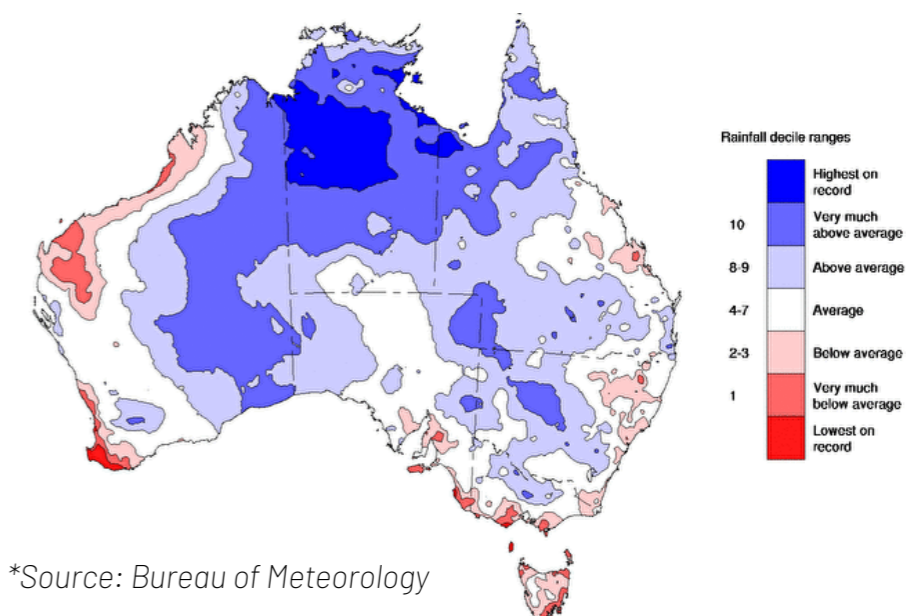
Australia experienced its third-warmest summer on record, 1.62 °C above the 1961-1990 average, marked by persistent and widespread heat. The national mean maximum temperature was 1.73 °C above the 1961-1990 average for summer, while the national mean minimum temperature was 1.50 °C above average.



Most of Australia was affected by heatwaves in December and February, while in late January Western Australia and central and southern parts of the country were affected. Bushfires affected parts of southern Western Australia throughout summer, while in February there were significant bushfires in western Victoria and central Tasmania.

Summer rainfall was 18.9% above the 1961-1990 average for Australia as a whole. Summer rainfall was above average for large parts of the eastern two-thirds of the mainland, but areas in western and central Western Australia, southern Northern Territory and Tasmania had a drier than average summer. Significant flooding, associated with tropical systems, affected large areas of northern Australia during summer, while severe thunderstorm activity brought extensive flooding to parts of the eastern and south-eastern mainland. The onset of the monsoon at Darwin was on 10 January, a delay compared to its typical late-December onset.⁴

*RAINFALL DECILES - JAN - MAR 2024



*Source: Bureau of Meteorology

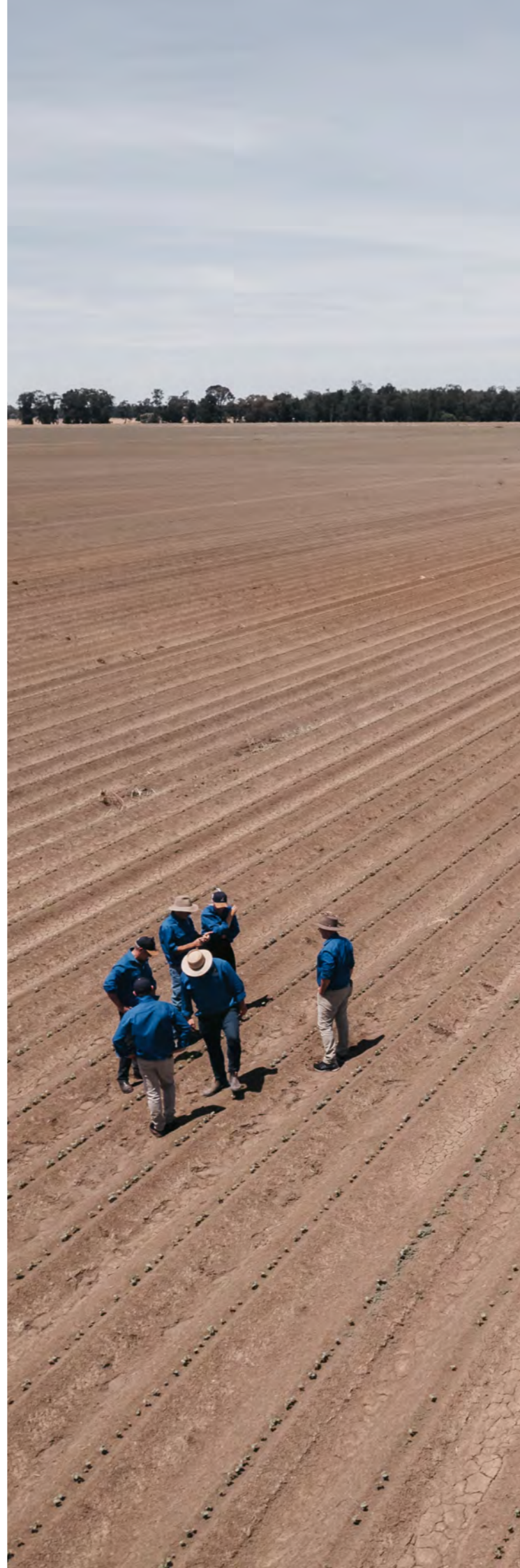
3 ABARES, 2024, Australian Crop Report

4 Bureau of Meteorology, 2024, Australia in December

GLOBAL MARKET INSIGHTS

In the southern hemisphere, Soybean harvesting continues in Brazil under mixed conditions while slowly beginning in Argentina. Harvesting of the spring-planted maize crop in Brazil is progressing under mixed conditions as hot and dry conditions continue to negatively impact crops in South Africa. In the northern hemisphere, winter wheat is breaking dormancy under generally favourable conditions except in parts of Europe. Spring wheat sowing is beginning in China. Sowing of the early-planted rice crop in China and harvesting of the Rabi crop in India is beginning. In Southeast Asia, dry conditions continue to impact the northern countries at the start of the rice harvesting period.⁵

The USDA's WASDE report forecasts global wheat to observe larger supplies, consumption, and trade, with reduced ending stocks. For coarse grains, the outlook is for reduced production, larger trade, and smaller ending stocks relative to the prior month.⁶



COMPANY QUARTERLY CASH FLOW COMMENTARY

CASH FLOW FORECAST

The company recorded an operating cashflow surplus for the quarter ending 31 December 2023 of \$1,351,000 which can be primarily attributed to finalisation of sale of the winter crop, harvest for which was completed in December.

As announced to the market on 11 April 2024 the Company has accepted an offer for the sale of its Timberscombe property to Altona Ag Ltd for \$70,000,000. The proceeds from the sale of Timberscombe are intended to be used for the following purposes:

- Investment in growth strategies in the Northern Territory, Victoria and New South Wales in the form of both direct and equity investment;
- Debt reduction; and,
- Payment of a dividend to shareholders

Related party transactions of \$472,000 in 6.1 of the quarterly cashflow report represent \$418,000 paid to Duxton Capital (Australia) Pty Ltd for financial services and management fees for acting as Investment Manager, \$44,000 paid to Duxton Dairies (Cobram) Pty Ltd for agricultural consulting services relating to the Group's pistachio plantation at Piambie. Amounts totaling \$10,000 were paid to Duxton Water Ltd for water charges.

5 AMIS, 2024, Market Monitor

6 USDA, 2024 WASDE Report

DISCLAIMER

This quarterly update is prepared by Duxton Capital (Australia) Pty Ltd [ACN: 164 225 647; AFSL no. 450218] ("Duxton Capital (Australia)"). Duxton Capital (Australia) is the Investment Manager of Duxton Farms Limited [ACN 129 249 243] ("Duxton Farms"). This monthly update has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in Duxton Farms.

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





DUXTON
F A R M S

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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,273	24,459
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(8,788)	(15,471)
(c) advertising and marketing	-	(50)
(d) leased assets	(146)	(434)
(e) staff costs	(755)	(2,112)
(f) administration and corporate costs	(682)	(1,998)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1,742)	(2,604)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	189	352
1.8 Other (provide details if material)	2	80
1.9 Net cash from / (used in) operating activities	1,351	2,222
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,147)	(16,275)
(d) investments	-	(2,500)
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	35	45
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(1,112)	(18,730)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	134	35
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	2,079	25,244
3.6	Repayment of borrowings	(382)	(629)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,831	24,650

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(5,405)	(11,477)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,351	2,222
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,112)	(18,730)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,831	24,650
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(3,335)	(3,335)

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	745	668
5.2	Call deposits	-	-
5.3	Bank overdrafts	(4,080)	(6,073)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(3,335)	(5,405)

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	472
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>		

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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>		
7.1	Loan facilities	70,000	66,950
7.2	Credit standby arrangements	10,000	4,080
7.3	Other (please specify)	3,000	2,075
7.4	Total financing facilities	83,000	73,105
7.5	Unused financing facilities available at quarter end		9,895
7.6	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.		
	CBA Overdraft \$10,000,000: Rate 7.22% maturity at call CBA Term Debt Facility \$70,000,000: Variable Rates of 5.55% to 5.75% maturing 31/12/24 CBA Asset Finance Facility \$3,000,000: Variable Rates of 3.38% to 7.50% maturing 31/12/24 All facilities are secured by mortgages over property and water entitlements.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,351
8.2	Cash and cash equivalents at quarter end (item 4.6)	(3,335)
8.3	Unused finance facilities available at quarter end (item 7.5)	9,895
8.4	Total available funding (item 8.2 + item 8.3)	6,560
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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?	
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?	
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?	
	<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: 30 April 2024

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.