

DUXTON FARMS Q4 FY2024

ACTIVITIES REPORT FOR QUARTER
ENDING 30 JUNE 2024

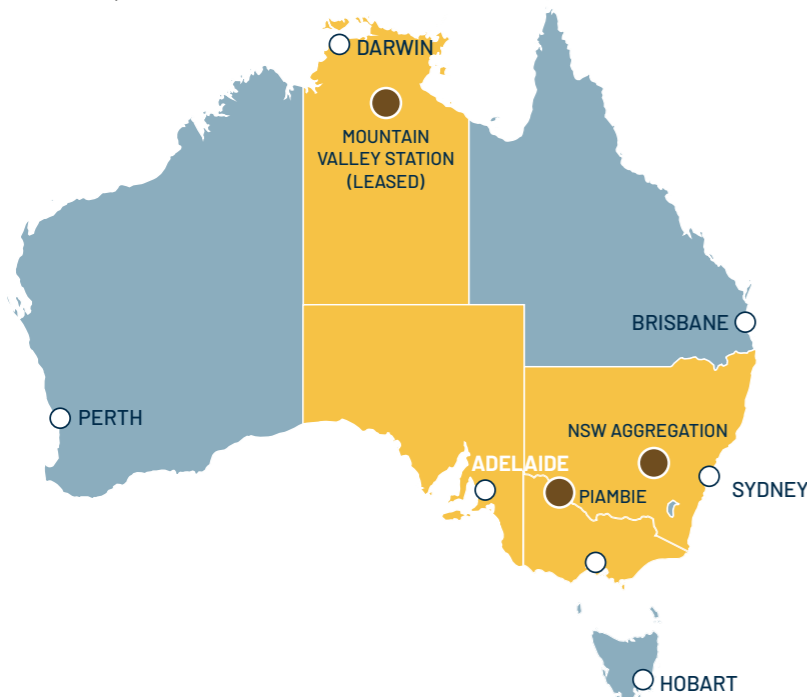


DUXTON
FARMS

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 157,164 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

8 PROPERTIES IN 3 LOCATIONS
(1 UNDER CONTRACT)

LOCATIONS

FORBES AND WYALONG, NSW
NATYA, VIC
KATHERINE, NT

HECTARES

16,164 OWNED
(2,386 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)

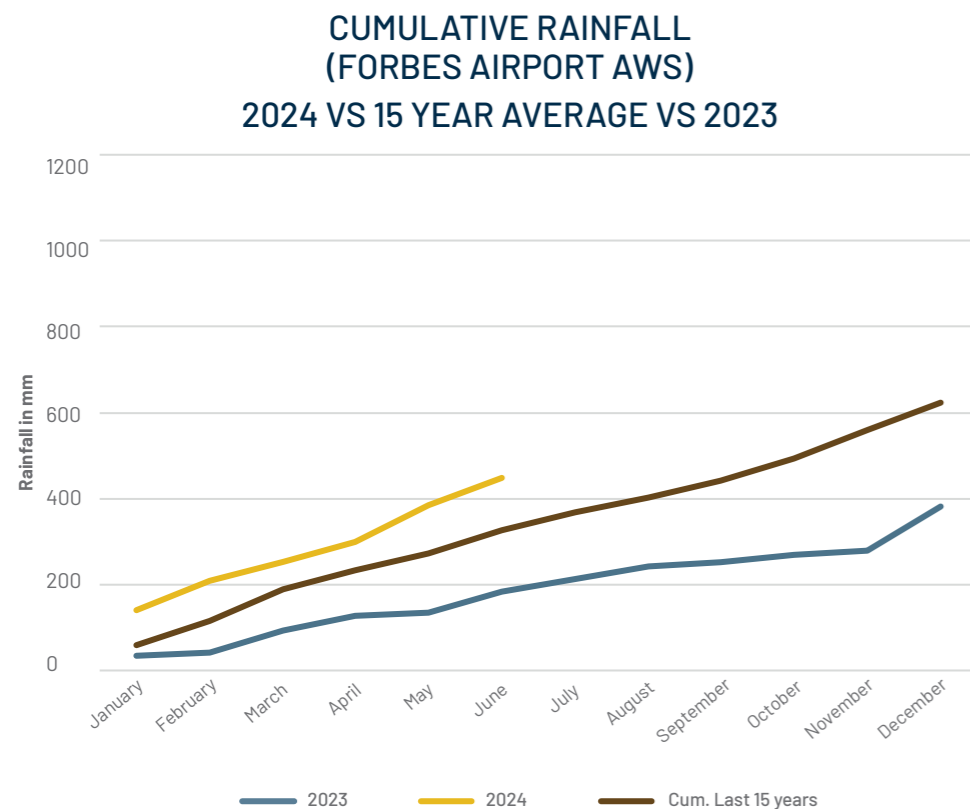
\$2.63

STATUTORY NAV PER SHARE (31 DECEMBER 2023)

NSW FORBES AGGREGATION

FORBES WEATHER UPDATE

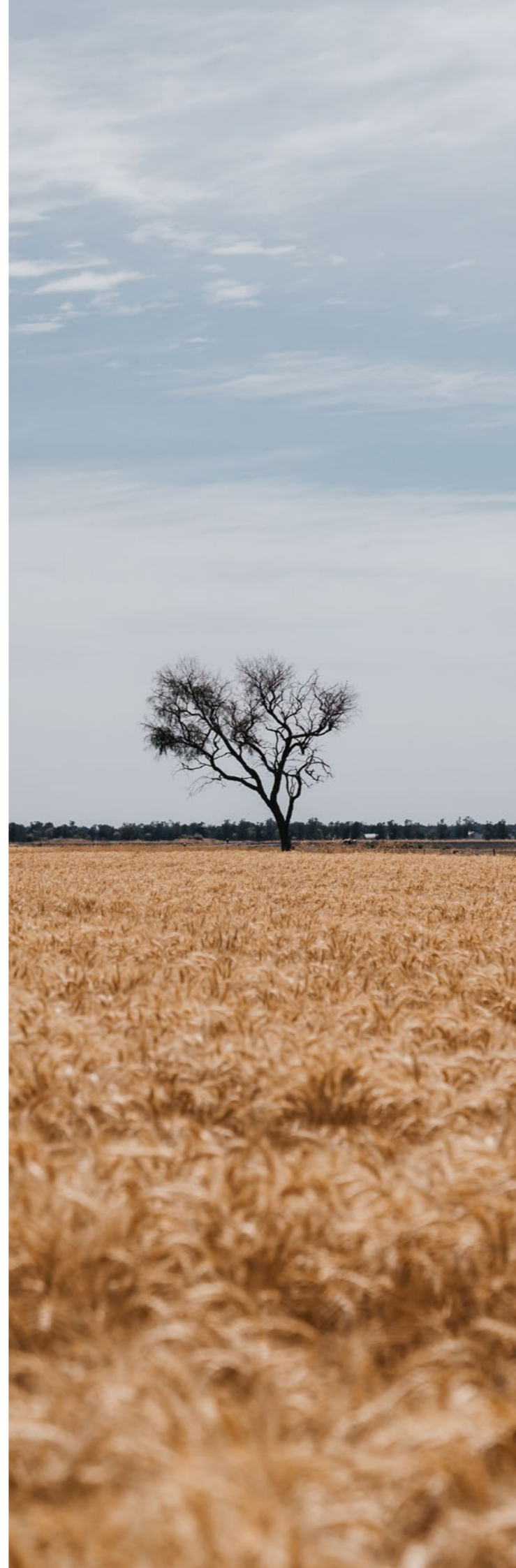
The Central West of New South Wales (Forbes Airport AWS) recorded 198mm of rainfall over the quarter, above the historical mean of 136mm, with May receiving the highest monthly rainfall in the past 15-years. Forbes received 450mm of rainfall over the first half of the calendar year, which was 38% above the long-term average for the area. The mean maximum temperature fell to 14 °C in June, which is slightly below the long-term average for the month, although the quarter displayed mean maximum temperatures which were roughly in line with long-term averages.¹



CROP UPDATE

The 2024 winter crop continues to grow well with most of the crop receiving additional fertilizer in June. Wetter than average weather has delayed certain areas of cotton from being picked, causing delays on mulching and preventing irrigated wheat from being sown. For most of the area unaffected by the wet weather, growth is looking positive across the crop.

Most of the cotton pick has been completed, with a small amount left to be picked at Yarranlea which the Company expects to be completed shortly. Yields are continuing to look promising and above budget, which is being supported by strong early ginning results.



LIVESTOCK

Livestock markets have continued to recover, with quality livestock selling well. Pasture growth is reasonable but has slowed slightly due to several frosts. Fodder reserves are adequate and will be further supported by cotton seed upon ginning. Sales of livestock have occurred as they meet market specifications, and the Company continues to trade livestock prudently as and when available.

IRRIGATION

The Wyangala dam has been utilized throughout the quarter but remains mostly full. The chance of a reset of the dam is reasonably high.

PIAMBIE

Winter crop has been planted at Piambie with 548 hectares of irrigated wheat, which has emerged well in good conditions. Small falls of rain have supported its growth throughout the month and the crop has not yet required irrigation. Stage One pistachio trees in the Glen Innes fields are now in a dormant period and a small number of trees have replaced those which did not survive in Stage One. Stage Two has been planted to dormant trees during the month of June and has received irrigation using the newly finished irrigation system. Land redevelopment at Piambie continues with work well underway.

MOUNTAIN VALLEY STATION (LEASED)

Mustering is underway at Mountain Valley Station, and cattle appear in good condition following a prolonged wet season. Cattle are grazing sorghum stubble while hay is being produced from the forage sorghum, which will be utilized across the next couple of months. Repairs were completed to the grader and loader which have allowed road and crossing repairs to be undertaken as required. Installation of a UHF repeater has enhanced communications across the farm, greatly improving safety and workflow.

¹Bureau of Meteorology, 2024, Forbes, New South Wales Daily Weather Observations

SHARE BUYBACK

The Company did not buy back any shares this quarter but has since restarted the repurchase programme in line with the buyback extension announcement released on January 4, 2024. The Company seeks to purchase up to 100,000 shares per month and may acquire a maximum of 4,162,465 additional shares.

AUSTRALIAN MARKET INSIGHTS

WHEAT PRICES

Port Kembla APW1 (premium quality) wheat prices ended the quarter at \$334 per tonne at port, up 5% from the previous quarter and down 18% from the same time last year. Port Kembla barley prices ended the quarter at \$285 per tonne at port, down 3% from the previous quarter and about 15% lower than the end of the 2023 financial year.

International wheat prices saw a significant rally in the middle of the quarter, with US CBOT September 2024 wheat futures reaching a high of \$6.69 USD per bushel before retreating back to \$5.41 by the end of June. Much of the initial rally was sparked by concerns of a poor Russian crop, but larger than expected results created more supply than was initially priced in, pushing prices back to where they were at the start of the quarter.

GRAIN PRICES CHANGES PAST 12 MONTHS*

CROP	CURRENT PRICE (PER TONNE)	PRICE 12 MONTHS AGO (JUNE 2023)	PERCENTAGE CHANGE
Port Kembla Zone Wheat (APW1)	\$334	\$407	(18%)
CBOT Wheat Futures	\$5.41	\$6.70	(19%)
Cotton	\$620.70	\$671.64	(8%)



COTTON PRICES

International cotton prices continued to move down from short-term highs set in March, finishing the quarter at around 82c/lb and 14% lower than the previous quarter closing price. Global production estimates for the 2024/25 crop moved upwards over the quarter despite slight downwards revisions to the production level of previous years. The net effect is larger global ending stocks for 2024/25, which has contributed to the downwards pressure on cotton prices.²

AUSTRALIAN COTTON PRICES



² Cotton Incorporated, July 2024, *Monthly Economic Letter*

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.³

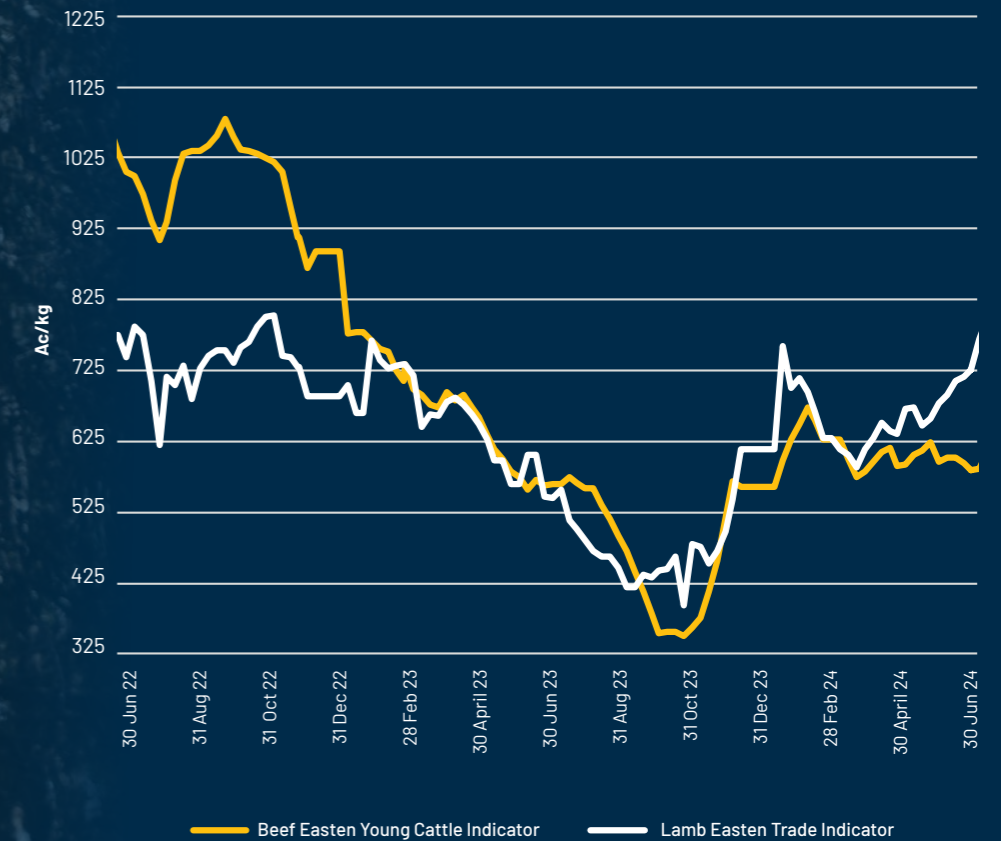
WOOL PRICES

The Wool Eastern Market Indicator saw little movement over the period, continuing sideways for the quarter and finishing 1% up over the course of the year. Improved global demand and slightly lower supply is forecast to drive Australian wool prices upwards over the year. Wool production and export volumes are expected to remain subdued, creating additional pricing support.⁴

WOOL EASTERN MARKET INDICATOR



AUSTRALIAN LIVESTOCK PRICES



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

STOCK	CURRENT PRICE (PER KG)	PRICE 12 MONTHS AGO (JUNE 2023)	PERCENTAGE CHANGE
Beef	\$5.84	\$5.62	4%
Lamb	\$7.25	\$5.48	32%
Wool	\$11.42	\$11.26	1%

³ ABARES, 2024, *Agricultural Outlook*

⁴ ABARES, 2024, *Agricultural Outlook*

AUSTRALIAN MARKET INSIGHTS (CONT.)

NATIONAL CROP PRODUCTION

ABARES expects the national winter crop to increase to 51.3 million tonnes in 2024/25, which if realised, would be the fifth highest crop on record. Favourable conditions in Queensland and central New South Wales have resulted in solid soil moisture profiles, ideal for the start of the winter cropping season. Victoria, South Australia and Western Australia started the season with lower-than-average soil moisture levels, though a good amount of rain in Western Australia offered some support.⁵ A positive rainfall outlook for June to August is expected to result in good conditions for the end of the planting window. Area planted to wheat, barley and winter pulses is expected to be higher-than-average for the winter cropping season, while canola is expected to see a slight decline.

For summer cropping, ABARES estimates that production will fall by 11% year-on-year to 4.6 million tonnes, though this still remains above the 10-year average of 3.5 million tonnes. Storms across key cropping regions has created some harvesting delays and quality reductions for both cotton lint and grain, but overall positive seasonal conditions in Queensland and New South Wales have resulted in a net-positive harvest for the 2023/24 summer crop. As a result, the national summer crop was revised up by 8% compared to the March Australian Crop Report.⁶



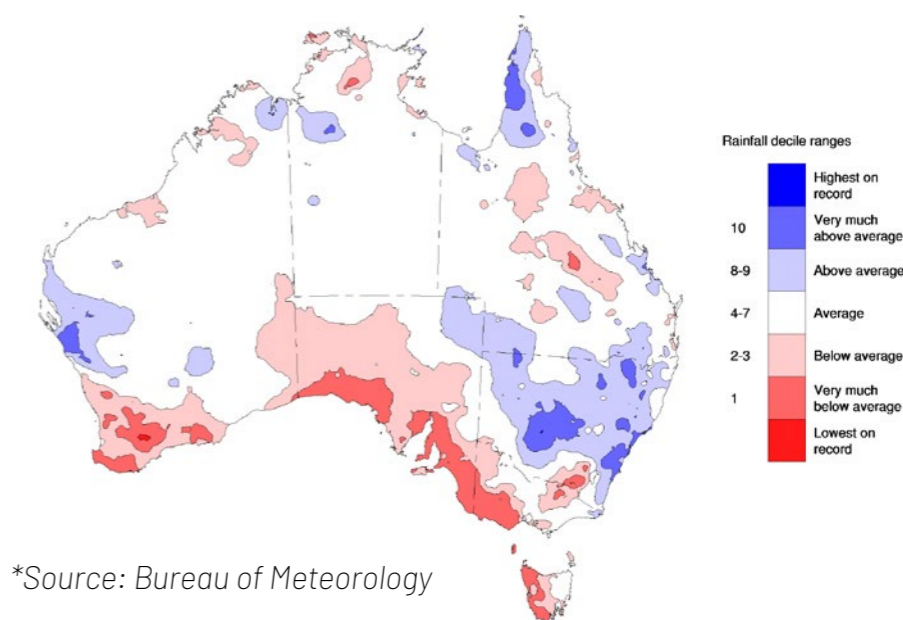
NATIONAL WEATHER

Australian rainfall as a whole was 9.2% above the 1961-1990 average for the month of June. Western Australia, central Queensland and inland New South Wales received above average rainfall, while South Australia and Victoria continued to receive below average rainfall.

Australia's national area-averaged mean temperature was 0.71 °C above the 1961-1990 average, with all states observing higher-than-average mean temperatures except for New South Wales and Tasmania which came in slightly below average. Western Australia observed its eighth-warmest June on record.

Mean maximum temperatures told a similar story, up 0.9 °C across the country with most states observing significantly warmer Junes. Minimum temperatures were mixed, with most states around their June average except for South Australia and Western Australia which observed significantly warmer minimum temperatures than average.

*RAINFALL DECILES APRIL-JUNE 2024



*Source: Bureau of Meteorology

⁵ ABARES, 2024, Australian Crop Report

⁶ ABARES, 2024, Agricultural Outlook

GLOBAL MARKET INSIGHTS

The Northern Hemisphere is in the middle of harvesting winter grain, and the US and Canada are expected to have a good crop with reasonably large stocks, although the rest of the world is tight. The European wheat crop is looking below-average, but a higher-than-expected Russian crop will more than compensate. Overall, grain supply appears to be keeping pressure on the market. International canola market prices have been stronger than grain markets off the back of a poor Canadian crop, which experienced excess rain and water logging issues in major provinces. Canola remains volatile, but overall vegetable oil demand appears strong as evidenced by palm oil and other major futures markets.



COMPANY QUARTERLY CASH FLOW COMMENTARY

CASH FLOW FORECAST

The company recorded an operating cashflow deficit for the quarter ending 30 June 2024 of \$7,626,000 which can be primarily attributed to expenditure incurred planting next season's winter crops and harvest costs associated with summer crops; the proceeds of which are yet to be received.

As announced to the market on 11 April 2024, the Company accepted an offer for the sale of its Timberscombe property for \$70,000,000. Settlement of this transaction occurred on 13 June 2024. The proceeds from the sale of Timberscombe have been used to pay down \$28,950,000 of debt, with the remaining funds 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;
- Further debt reduction; and,
- Payment of a dividend to shareholders which was announced to the market on 21 June 2024 and paid 11 July 2024.

Related party transactions of \$660,000 in 6.1 of the quarterly cashflow report represent \$349,000 paid to Duxton Capital (Australia) Pty Ltd for financial services and management fees for acting as Investment Manager, \$2,000 paid to Duxton Dairies (Cobram) Pty Ltd for agricultural consulting services relating to the Group's pistachio plantation at Piambie. Amounts totalling \$309,000 were paid to Duxton Water Ltd for water charges.

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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,077	27,536
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(7,717)	(23,188)
(c) advertising and marketing	(1)	(51)
(d) leased assets	141	(293)
(e) staff costs	(1,047)	(3,159)
(f) administration and corporate costs	(648)	(2,646)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(234)	(2,838)
1.6 Income taxes paid	(1,400)	(1,400)
1.7 Government grants and tax incentives	185	537
1.8 Other (provide details if material)	17	97
1.9 Net cash from / (used in) operating activities	(7,626)	(5,404)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,739)	(18,014)
(d) investments	-	(2,500)
(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	69,686	69,731
	(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	67,947	49,217

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	750	25,994
3.6	Repayment of borrowings	(29,118)	(29,747)
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	(28,368)	(3,718)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	(3,335)	(11,477)
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,626)	(5,404)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	67,947	49,217

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)	(28,368)	(3,718)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	28,618	28,618

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	418	745
5.2	Call deposits	28,200	-
5.3	Bank overdrafts	-	(4,080)
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	28,618	(3,335)

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	660
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	40,000	38,750
7.2 Credit standby arrangements	8,000	-
7.3 Other (please specify)	3,000	2,470
7.4 Total financing facilities	51,000	41,220
7.5 Unused financing facilities available at quarter end		9,780
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 \$8,000,000: Rate 7.22% maturity at call CBA Term Debt Facility \$40,000,000: Variable Rates of 5.55% to 5.75% maturing 31/08/26 CBA Asset Finance Facility \$3,000,000: Variable Rates of 3.38% to 7.50% maturing 31/08/26 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)	(7,626)
8.2 Cash and cash equivalents at quarter end (item 4.6)	28,618
8.3 Unused finance facilities available at quarter end (item 7.5)	9,780
8.4 Total available funding (item 8.2 + item 8.3)	38,398
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.04
<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?	
Answer:	
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?	
Answer:	

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:

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 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.