

DUXTON FARMS Q1 FY2025

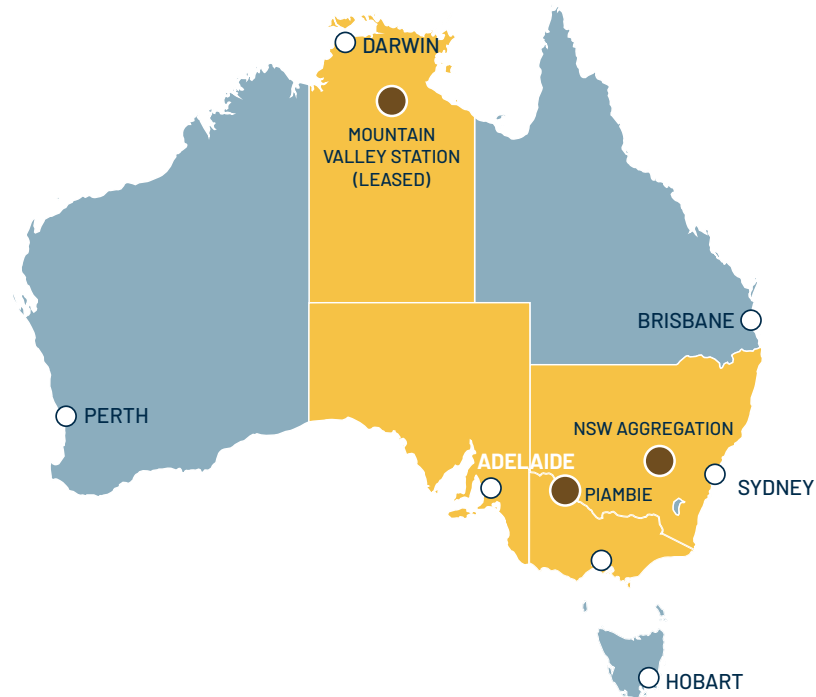
ACTIVITIES REPORT FOR QUARTER
ENDING 30 SEPTEMBER 2024



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 aims 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 the 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

\$3.03

FAIR MARKET VALUE NAV PER
SHARE (30 JUNE 2024)

\$2.89

STATUTORY NAV PER SHARE
(30 JUNE 2024)

DUXTON FARMS LIMITED (ASX:DBF) QUARTERLY REPORT PAGE 3

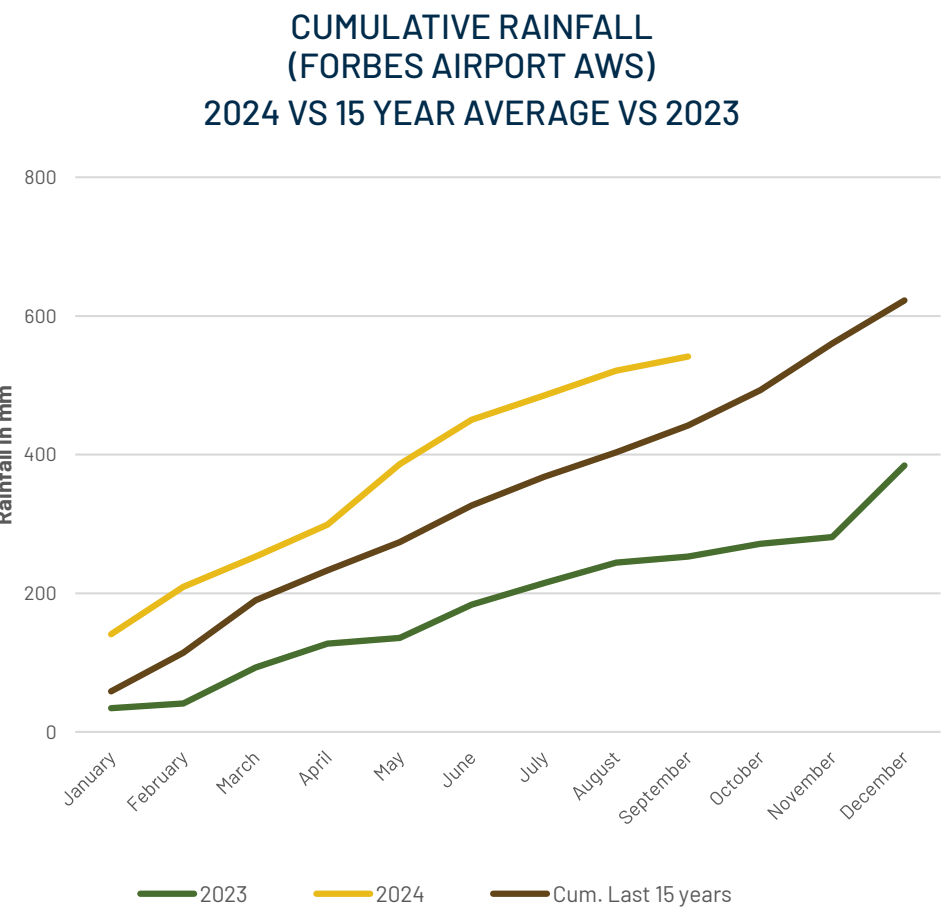
SHARE BUYBACK

The Company repurchased 585,171 shares during the quarter. The total number of shares bought under the buyback is 3,438,545, with the Company able to acquire up to 3,577,294 additional shares.

NSW FORBES AGGREGATION

FORBES WEATHER UPDATE

Forbes observed dryer and slightly warmer conditions over the quarter, after what was considered a wetter-than-average start to the calendar year. The Central West of New South Wales (Forbes Airport AWS) recorded 91mm of rainfall, below the 15-year historical mean of 115mm, with September receiving around half of the average rainfall for the month. For the calendar year, Forbes has received 541mm of rainfall, which is 22% above the long-term average for the area. The mean maximum temperature rose to 21°C in September, which is around the long-term average for the month. The quarter displayed slightly warmer-than-average maximum temperatures compared to the long-term average for the area.¹



CROP UPDATE

The broadacre winter crop continued to grow well over the quarter, with reduced rainfall allowing the wet country to dry out. The prior wet weather did, however, cause mulching to be delayed and prevented some irrigated wheat from being planted in time. Several frost events occurred during the quarter with yield reductions expected to be isolated to the canola crop, though the full impact on canola yields will not be fully known until harvest.

The cotton pick was completed in August, with ginning results so far continuing to look promising. Preparation of the 2024-25 cotton crop commenced in wet conditions and planting will begin in early October when the weather is warmer, and the soil temperature has risen.

LIVESTOCK

Livestock has been selling well as market specifications are met, which has been supported by the continued market recovery. Additional information on the livestock market recovery is contained further within this update. Pasture growth has been reasonable, though it has been somewhat slowed by the frosts. Adequate reserves of fodder remain for livestock and will be further supported by cotton seed upon ginning. The Company continues to prudently trade livestock as opportunities arise.

IRRIGATION

Work has been undertaken to enhance the irrigation efficiency on some of the irrigation field for the coming cotton crops. The Wyangala dam remains 94% full, and the chance of a dam reset has been reduced.

PIAMBIE

The first stage of Pistachio tree plantings is starting to show spring growth. Stage Two plantings in June 2024 of dormant trees are also showing good growth. Land redevelopment for Stage Three continues, with planting expected to commence after the installation of irrigation structures. The winter crop has grown well with all irrigable area watered across over quarter.

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

MOUNTAIN VALLEY STATION (LEASED)

CROP UPDATE

Preparations have commenced to plant areas of Mountain Valley to pasture and grasses around the homestead area. Additional areas are planned to be planted to forage sorghum.

LIVESTOCK UPDATE

Muster continued during the quarter following delays due to the prolonged wet season. Cattle appear to be in good condition considering the wet conditions.

AUSTRALIAN MARKET INSIGHTS

GRAIN PRICES

Wheat and barley prices continued to move downwards in the quarter, with both commodities bottoming out in late August before seeing some support in September. Port Kembla APW1 (premium quality) wheat prices ended the quarter at \$328 per tonne at port, finishing in line with the previous quarter and down 19% from the same time last year. Port Kembla barley prices ended the quarter at \$280 per tonne at port, down 11% from the previous quarter and about 21% lower than this time last year.²

International wheat prices displayed the similar movements, albeit finishing 9% higher for the quarter with US CBOT October 2024 wheat futures closing at \$5.89 USD per bushel, a 2% increase year-on-year. Although there was some pricing support in September, cheap supply out of Russia has continued to keep prices in check, with other European countries forced to price-match to secure sales.³

GRAIN PRICE CHANGES PAST 12 MONTHS*

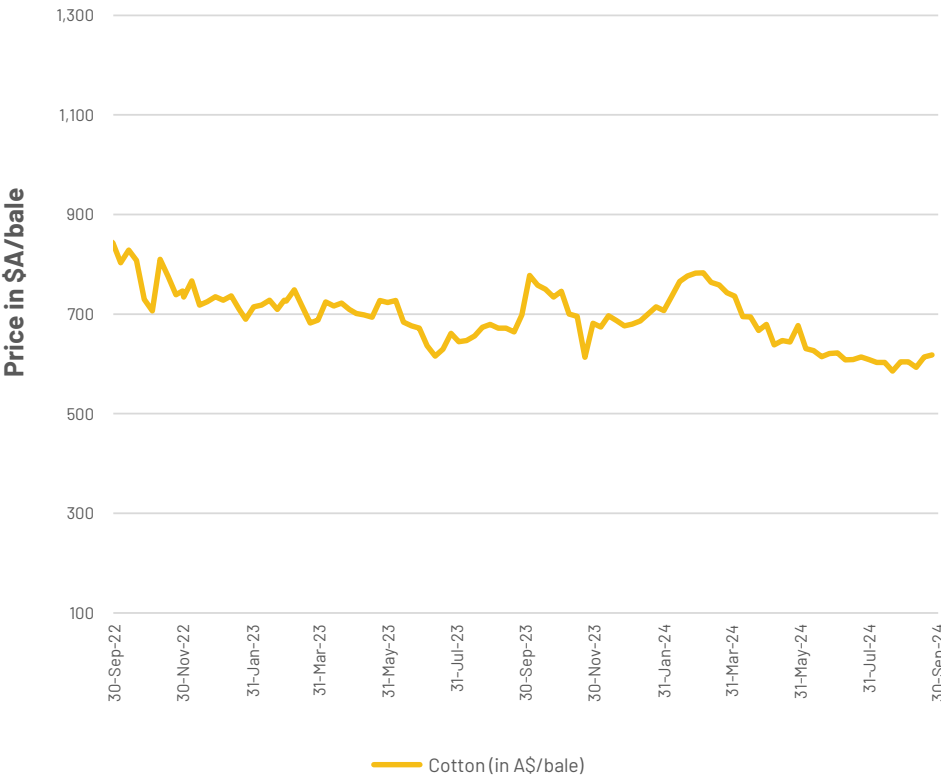
CROP	CURRENT PRICE	PRICE 12 MONTHS AGO (SEP 2023)	PERCENTAGE CHANGE
Port Kembla Zone Wheat (APW1)	\$304/tonne	\$403/tonne	(24%)
CBOT Wheat Futures	\$5.89/bushel	\$5.79/bushel	2%
Cotton	\$617.73/bale	\$698.41/bale	(12%)



COTTON PRICES

International cotton prices saw lower volatility and less downwards movement than the prior quarter, finishing at around 83c/lb compared to 82c/lb three months ago. Two of the largest cotton producing countries, the United States and Brazil, are forecast to increase production for the 2024-25 crop. Together, they are expected to more than offset decreased cotton production volumes from India, Pakistan, and Australia.⁴ Global demand for cotton has continued to slowly improve since the COVID-19 pandemic but remains below pre-pandemic levels and is likely to be outpaced by supply.⁵ This imbalance is expected to continue to place downwards pricing pressure on international cotton prices.

AUSTRALIAN COTTON PRICES



² ABARES, 2024, Weekly Australian Climate, Water and Agricultural Update

³ Market Check, 2024

⁴ Department of Agriculture, Fisheries and Forestry, 2024, Natural Fibres

⁵ Rabobank, August 2024, Expected rise in global cotton supply weighing on prices for Australian producers

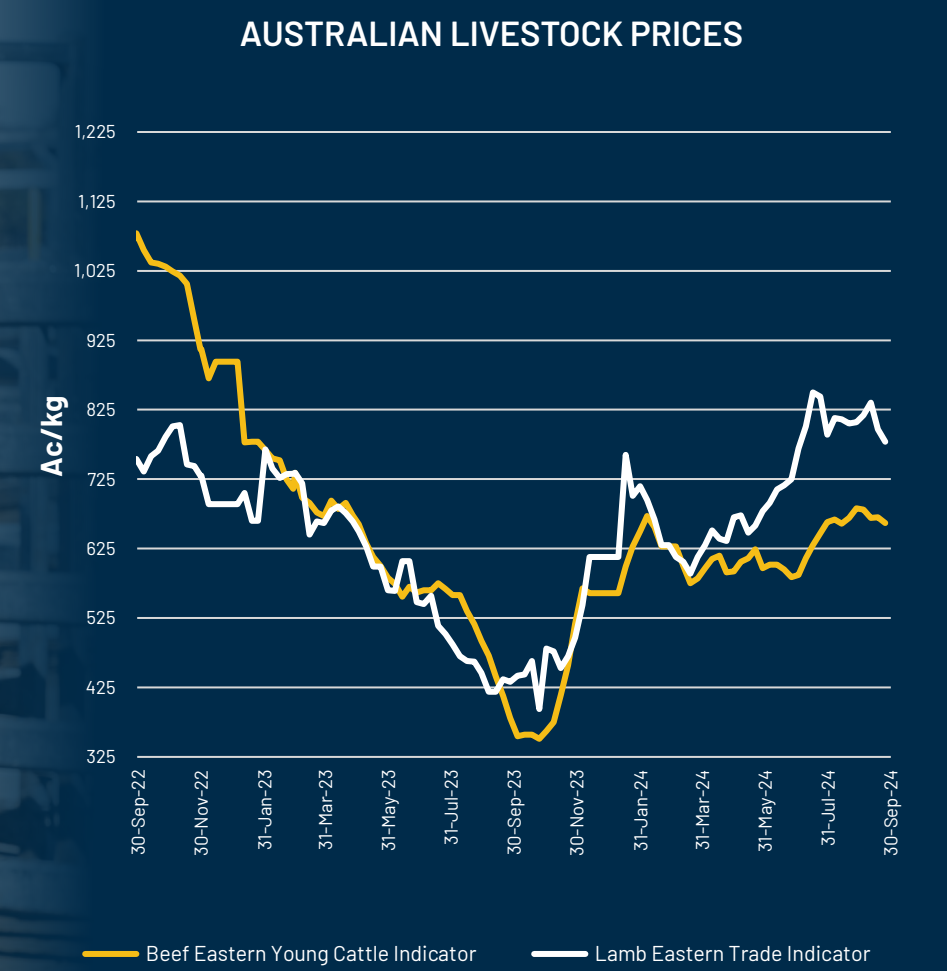
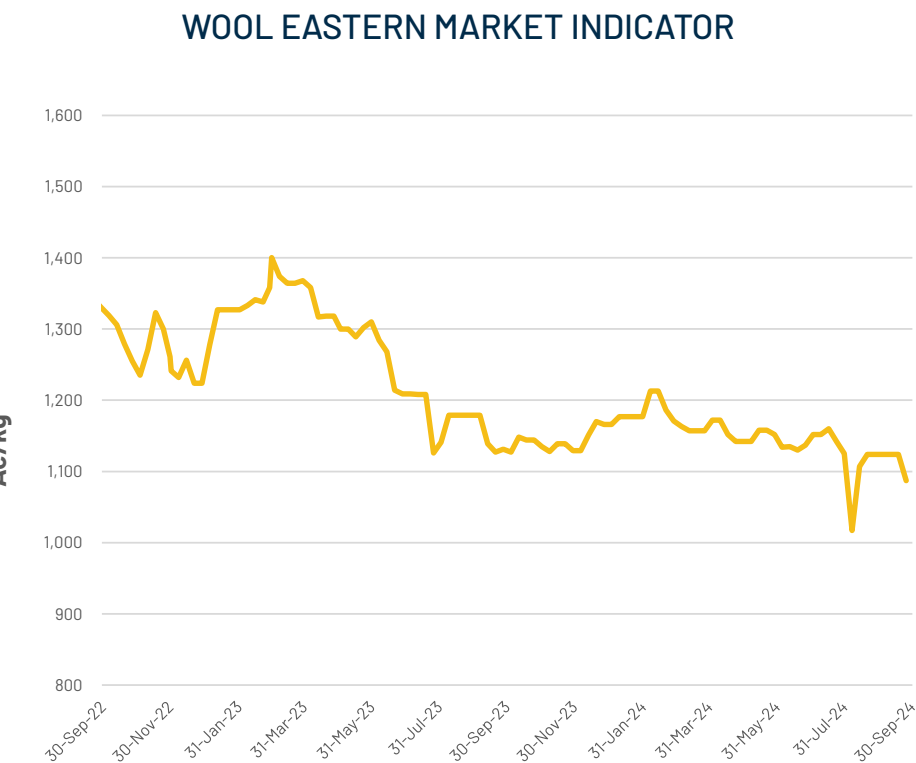
AUSTRALIAN MARKET INSIGHTS (CONT.)

LIVESTOCK PRICES

The Beef Eastern Young Indicator (‘EYCI’) continued to rise, gaining 13% over the quarter, closing at \$6.62kg. This represents a 74% increase over the same time last year. Similarly, the Australian National Trade Lamb Indicator increased by 7% to \$7.79 over the quarter, finishing 80% up year-over-year. The continued rally can largely be attributed to strong import demand from the United States, as many producers in the US are destocking their herds, induced by dry seasonal conditions. This has led to severely depressed inventory levels and reduced US domestic beef production. Beef and Lamb prices are forecasted to continue improving, driven by strong export volume and pricing.⁶

WOOL PRICES

The Wool Eastern Market Indicator closed at \$10.87kg for the month of September, representing a 5% decline over the quarter and a 5% decline year-over-year. Like cotton, the demand for wool is currently subdued following decreased household spending on discretionary items. Wool production is expected to remain stable as decreased sheep levels are offset by higher wool yields.⁷



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*			
STOCK	CURRENT PRICE (PER KG)	PRICE 12 MONTHS AGO (SEP 2023)	PERCENTAGE CHANGE
Beef	\$6.62	\$3.81	74%
Lamb	\$7.79	\$4.33	80%
Wool	\$10.87	\$11.44	5%

⁶ Department of Agriculture, Fisheries and Forestry, 2024, Weekly Australian Climate, Water and Agricultural Update

⁷ Department of Agriculture, Fisheries and Forestry, 2024, Natural Fibres

AUSTRALIAN MARKET INSIGHTS (CONT.)

NATIONAL CROP PRODUCTION

The national winter crop production has been revised further upward since reporting in June, with ABARES estimates currently placed at around 55.2 million tonnes for the 2024-25 cropping year. If reached, this would make the annual crop the fifth highest on record, 17% above the 10-year average of 47 million tonnes. Seasonal conditions have largely remained positive for New South Wales, Queensland and Western Australia, while South Australia and Victoria have continued to struggle with persistent dry weather. Area planted to winter crops is up across the board, with wheat, barley, canola, lentil and chickpea all exceeding the average area planted for the past 10-years. Rainfall in the major cropping regions of Australia is expected to be on par with, or slightly above the median rainfall for the October to December months. This is expected to be positive for yields out of New South Wales, Queensland and Western Australia and offer support for the underperforming Victoria and South Australia.

Summer crop production estimates have been slightly revised upwards to 4.7 million tonnes for the 2024-25 season, 28% above the 10-year average production. Increased area planted to summer crops is being supported by solid soil moisture levels in late winter, and positive rainfall outlooks which should allow the crops to be planted with minimal delays.

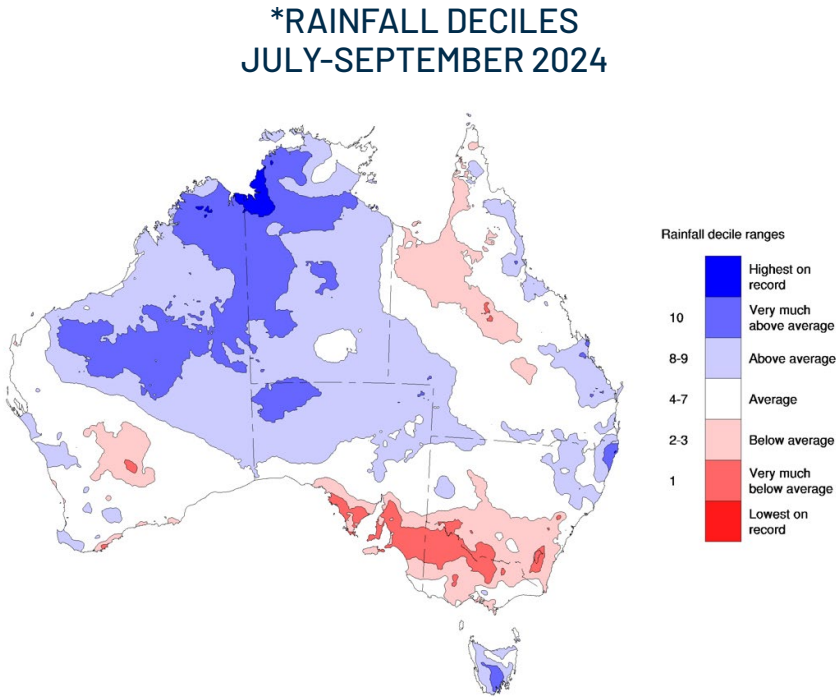


NATIONAL WEATHER

Australian rainfall was 23% higher for the month of September compared to the 1961-1990 average. Much of this is attributed to strong rainfall for a large portion of Australia's northwest region, with Tasmania also receiving above average rainfall. The Northern Territory and Western Australia observed their seventh highest rainfall on record. Areas along the southern mainland and central-eastern Queensland saw below average rainfall, but the departure from mean was less severe. Queensland was the driest state when compared to mean, recording an average of 6mm across the state compared to the September average of 11.5mm.⁸

Mean temperatures and mean minimum temperatures were warmer than average across all the states for the month of September. Queensland and Western Australia were significantly hotter over this period, recording their eighth highest and tenth highest average maximum temperatures respectively. Western Australia had its highest average minimum temperature on record at 2.33 °C above 1961-1990 average, surpassing its previous record high set in 2023.

For the Winter months of June to August, national winter rainfall was around the average long-term average. Mean maximum temperatures were warmer than average for most of Australia, and the area-averaged mean temperature was the second warmest on record at 1.48°C above the 1961-1990 average.⁹



**Source: Bureau of Meteorology*

⁸ Bureau of Meteorology, 2024, Australia in September 2024

GLOBAL MARKET INSIGHTS

In Russia, spring wheat harvest is ongoing under generally favourable conditions. Winter wheat sowing is beginning under mixed conditions in Russia and Ukraine as crops are being sown into dry soils, contributing to some delays. China and the US have mostly wrapped up the winter harvest in favourable conditions. In Canada, spring harvest is progressing under variable conditions due to earlier dry weather in the western Prairies. In Argentina, conditions are mixed due to lack of soil moisture and high temperatures in northern and western regions, while ample rainfall and good temperatures throughout the other regions has supported crop development.

In the US, maize harvest is beginning under superb conditions in the Corn Belt, but earlier hot and dry conditions have reduced yields along minor cropping regions in the East Coast. Maize in the EU has been negatively affected by hot and dry weather and is expected to degrade yields. In China and India, conditions are favourable as harvest progresses. In Mexico, improved September rain has helped wrap up the sowing of the spring-summer crop, but dry conditions at the start of the season remain of concern.¹⁰

The focus for international markets has now shifted to the 2024-25 season, where wheat supplies, consumption, trade, and ending stocks are all projected to increase. Total production of coarse grains on the other hand are forecast to reduce, with lower ending stocks expected.¹¹ China has been a strong buyer of Australian wheat and barley for the past 5-years but has been relatively absent from the Australian market as of late as cheap grain continues to flow out of the Black Sea. This trend has remained for some time now, but at some point, Russia is expected to run out of cheap grain to offer and importers will be forced to look elsewhere. Ending stocks out of the major export countries have been steadily reducing over the past few years, which further indicates support for the Australian export market as demand is forced to shift away from the main producers.¹²



COMPANY QUARTERLY CASH FLOW COMMENTARY

The company recorded an operating cashflow deficit for the quarter ending 30 September 2024 of \$2,447,000 which can be primarily attributed to further spend on tillage, spreading, seed, fertilizer, and other consumables associated with the 2025 winter crop. Planting of the summer 2025 crop is expected to be completed ahead of schedule during October as the company continues to take advantage of favourable weather conditions.

Related party transactions of \$1,245,000 in 6.1 of the quarterly cashflow report represent \$1,235,000 paid to Duxton Capital (Australia) Pty Ltd comprising \$757,000 for the performance fee incurred in FY24 and \$488,000 for financial services and management fees for acting as Investment Manager. Amounts totalling \$10,000 were paid to Duxton Water Ltd for water charges.

¹⁰ AMIS, 2024, Market Monitor

¹¹ USDA, 2024, WASDE Report

¹² Market Check, 2024, October Market Update

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.





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 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,189	5,189
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,400)	(4,400)
(c) advertising and marketing	(-)	(-)
(d) leased assets	(10)	(10)
(e) staff costs	(586)	(586)
(f) administration and corporate costs	(1,752)	(1,752)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(891)	(891)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	(38)	(38)
1.8 Other (provide details if material)	41	41
1.9 Net cash from / (used in) operating activities	(2,447)	(2,447)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,949)	(1,949)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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	(1,949)	(1,949)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) – share buyback	(754)	(754)
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	2,250	2,250
3.6	Repayment of borrowings	(23,293)	(23,293)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(3,597)	(3,597)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(25,394)	(25,394)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	28,618	28,618
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,447)	(2,447)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,949)	(1,949)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25,394)	(25,394)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(1,172)	(1,172)

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	107	418
5.2	Call deposits	-	28,200
5.3	Bank overdrafts	(1,279)	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(1,172)	28,618

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	1,245
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	40,000	18,000
7.2	Credit standby arrangements	8,000	1,279
7.3	Other (please specify)	3,000	2,358
7.4	Total financing facilities	51,000	21,637
7.5	Unused financing facilities available at quarter end		29,363
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 \$8,000,000: Rate 6.87% maturity at call CBA Term Debt Facility \$40,000,000: Variable Rates of 5.36% to 5.71% maturing 31/08/26 CBA Asset Finance Facility \$3,000,000: Variable Rates of 3.38% to 7.50% maturing 31/08/26</p> <p>All facilities are secured by mortgages over property and water entitlements.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,447)
8.2	Cash and cash equivalents at quarter end (item 4.6)	(1,172)
8.3	Unused finance facilities available at quarter end (item 7.5)	29,363
8.4	Total available funding (item 8.2 + item 8.3)	28,191
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.52
	<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:	
	<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:31 October 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.