

DUXTON WATER LIMITED

ANNUAL GENERAL MEETING



FY2024 ANNUAL GENERAL MEETING

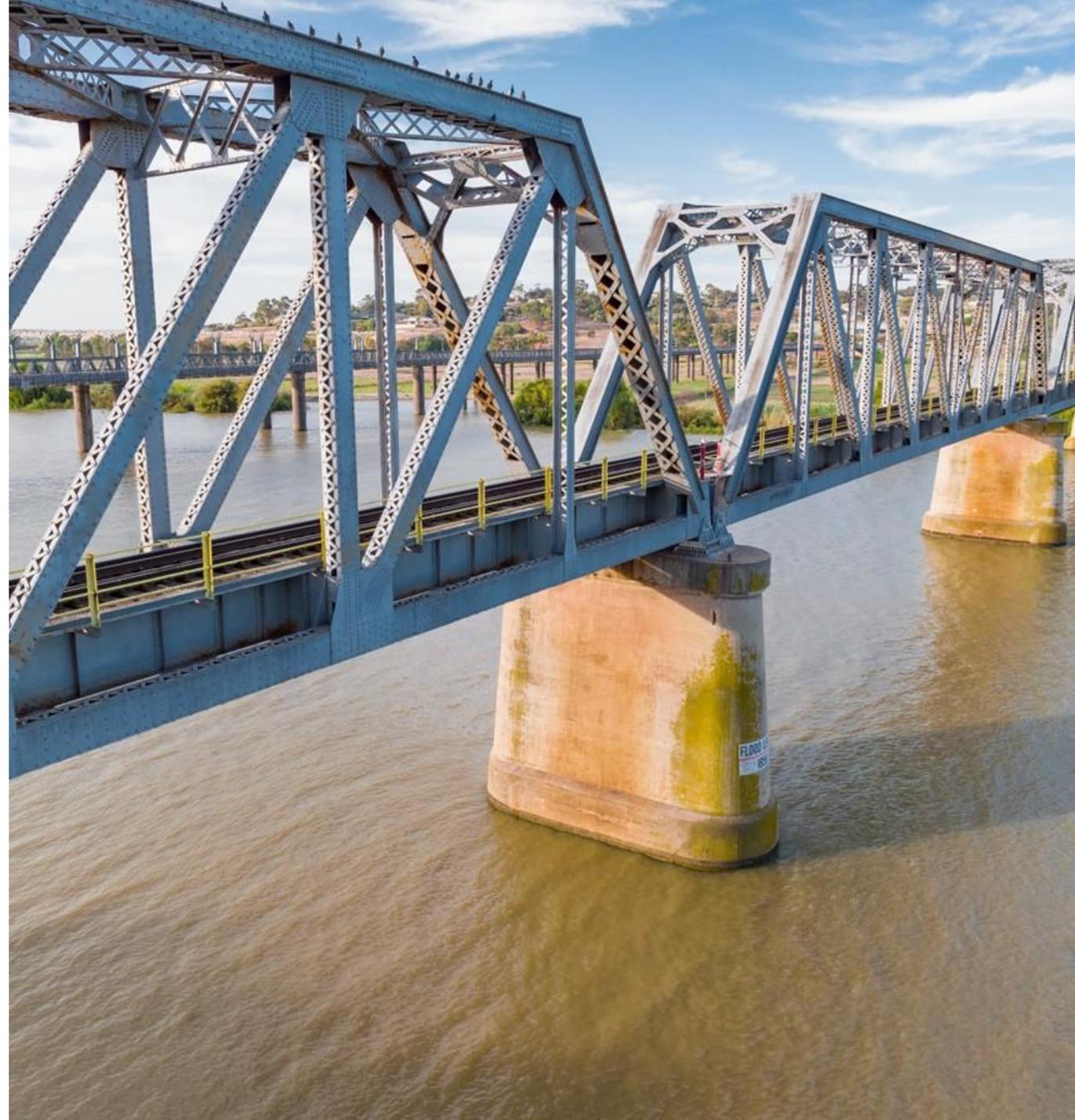
Duxton Water Limited | ASX:D20



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COMPANY SECRETARY



DUXTON
WATER

Duxton Water Team



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PORTFOLIO MANAGER



Lachlan Beech

PORTFOLIO MANAGER



Mercedes Vera

ASSOCIATE



Harry Boksem

ANALYST



Carolyn James

PORTFOLIO ADMINISTRATOR



Michael Amey

CHIEF FINANCIAL OFFICER (DCA)



James Lanthois

FINANCIAL CONTROLLER



Marcus Rose

SENIOR ACCOUNTANT



Tanya Radovanovic

FINANCE OFFICER





Agenda

Chairman's Address

Portfolio Update

Outlook

Internalisation Proposal

Items of Business

Voting Polls Open

Questions & Answers



FULL-YEAR 2024 SNAPSHOT

Duxton Water provides water supply solutions to Australian irrigators. These products enable businesses to manage water risk, while allowing irrigators to take a multi-year approach to water security. Each year, Duxton Water supports hundreds of customers across diverse industries, including tree nuts, grapes, dairy, citrus, potatoes, cotton, wheat, cereals and rice.

1.2%
PORTFOLIO
RETURN¹
(12 MONTHS)

\$392M
WATER
PORTFOLIO
VALUE³

\$1.54
PER SHARE
NON-STATUTORY
NET ASSET VALUE
(POST TAX)³

91.5GL
TOTAL WATER
OWNED

37%
LEASED %

2.8
YEARS
WALE²

1. Total Portfolio Return is based on NAV movements and includes franked dividends for the 12 month period to 31 December 2024.
2. Weighted Average Lease Expiry.
3. Non-statutory value, adjusting for water entitlements held at cost in Financial Statements of \$308.6m. This includes permanent water entitlement acquisitions that are contracted but not yet settled.



FY2024 Financial Results

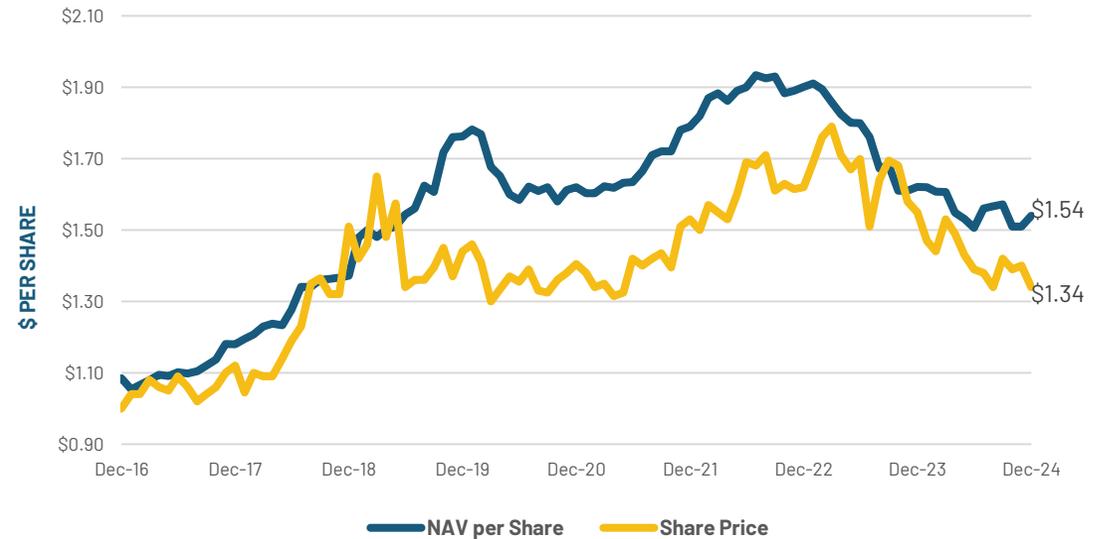


Full-Year 2024 Summary

Duxton Water Limited provides investors with exposure to Australian water entitlements as an asset class.

- Duxton Water Limited (“the Company” or “D20”) delivered on both its dividend targets in FY2024. Shareholders received fully franked dividends totalling **7.3 cents per share** during the year.
- The Company had **54%** of its portfolio committed to leases and forward allocation sales in FY2024. The Company is actively seeking new long-term water leases to strengthen its lease portfolio.
- Following wetter-than-average conditions seen in early 2024, drier conditions over the last 9-12 months have resulted in a significant reduction in dam storage levels.
- Lower dam storages have resulted in higher allocation prices when compared to the previous 3 years. Higher spot prices and reduced dam storages have led to an increase in demand from irrigators seeking long-term water leases.
- Declared a fully franked Final 2024 dividend of **3.71 cents per share** that was paid to shareholders 24 April 2025. The Company continued to offer a DRP discount of 5%.

NET ASSET VALUE VS SHARE PRICE (SINCE INCEPTION) – TO 31 DECEMBER 2024



Portfolio Performance	6 Months	12 Months	Inception	Annualised
Total Return (NAV + Dividends)	5.5%	1.2%	102.7%	8.9%

[^]These figures are based on NAV movements and include franked dividends for the period to 31 December 2024.



Financial Results (P&L)

The Company is pleased to report a 2024 Profit Before Tax of **\$13.3 million (+48% when compared to FY2023)**.

Key Metrics	FY2024	FY2023	Difference	% Change
Profit before tax	\$13.3m	\$9.0m	+\$4.3m	+48%
Net profit after tax	\$9.3m	\$6.3m	+\$3.0m	+47%
Earnings per share	6.0 cps	4.8 cps	+1.2 cps	+25%
Dividends per share	7.3 cps	6.9 cps	+0.4 cps	+6%
Portfolio size	91.5 GL	90.5 GL	+1.0 GL	+1%

- Duxton Water reported a Net Profit After Tax of **\$9.3 million** for FY2024 (FY2023: \$6.3 million).
- This positive result underpinned by improving yields on the Company's high security water assets, active management of unleased allocations, and profits from water entitlement sales.
- This translated to an Earnings Per Share of **6.0 cents** per share in FY2024, a **25%** increase when compared to FY2023.
- While the Company completed several strategic acquisitions and disposals in FY2024, the net portfolio size increased by **1 GL**. This includes unsettled entitlement trades contracted in FY2024.



Financial Results (Balance Sheet)

Water entitlements continue to demonstrate low/negative correlation to traditional asset classes.

Net Asset Summary	FY2024	FY2023	Difference	% Change
Permanent water assets (fair value) ^{1, 2}	\$387.1m	\$386.3m	+\$0.8m	0%
Temporary water assets (fair value) ²	\$4.4m	\$4.2m	+\$0.2m	+5%
Total net assets (fair value) ²	\$240.2m	\$247.6m	-\$7.4m	-3%
Non-statutory NAV per share	\$1.54	\$1.62	-\$0.08	-5%

- Net Asset Value (“NAV”) closed 31 December 2024 at **\$1.54 per share**, decreasing by 8 cents per share (or -5.3 %) during the year.
- The reduction in NAV was primarily driven by fully franked dividends paid during the year of **7.3 cents per share**. Adding back fully franked dividends, total post-tax NAV performance in FY2024 was **1.2%**.
- Water entitlement values softened in the first half of 2024, before recovering in the back half of the year. The Company believes the recovery of entitlement values were likely driven by recent drier weather conditions and from the Government commencing its voluntary water entitlement buyback program.
- The Company held approximately **\$4.4 million** (Fair Market Value) of unleased water allocations at 31 December 2024. These water allocations have a nil cost base and have been sold throughout Q1 2025, supporting summer irrigation programs.
- The Company continues to monitor water entitlement markets for well-priced opportunities in zones that complement the existing portfolio.

1. Includes water entitlement acquisitions that are contracted at 31 December 2024 and expected to settle in 1HY2025.

2. Fair Market Value is prepared in accordance with the Company’s monthly NAV statement. The water portfolio is evaluated on a monthly basis by the Company’s independent valuer, “Ricardo”. Fair Market Value is a non-IFRS measure that is not reviewed or audited by the Company’s auditor.



Capital Management

In May 2025, the Company repaid \$108 million of its debt facility using proceeds from the \$121.3 million sale of water entitlements.

Debt Summary	FY2024	FY2023	Difference	% Change
Total debt drawn	\$116.0m	\$116.5m	-\$0.5m	0%
Total net debt	31%	29%	+2%	-
Total variable debt	\$116.0m	\$116.5m	-\$0.5m	0%
Effective cost of borrowings	5.85%	5.20%	+0.65%	-

Interest Summary	FY2024	FY2023	Difference	% Change
Interest paid on debt	\$6.7m	\$5.7m	+\$1.0m	+18%
Realised cash gain/(loss) on swaps	-	-\$0.7m	+\$0.7m	-
Net finance expenses	\$6.7m	\$6.5m	+\$0.2m	+3%

DEBT SUMMARY

- Total debt drawn of \$116 million at 31 December 2024 (31 December 2023: \$116.5 million).
- Net debt of **31%** remained relatively stable throughout the year (31 December 2023: 29%) and it remains within the Company's maximum net debt covenant of **40%**.
- The effective cost of borrowings for FY2024 was **5.85%**, up from **5.20%** in FY2023.

INTEREST SUMMARY

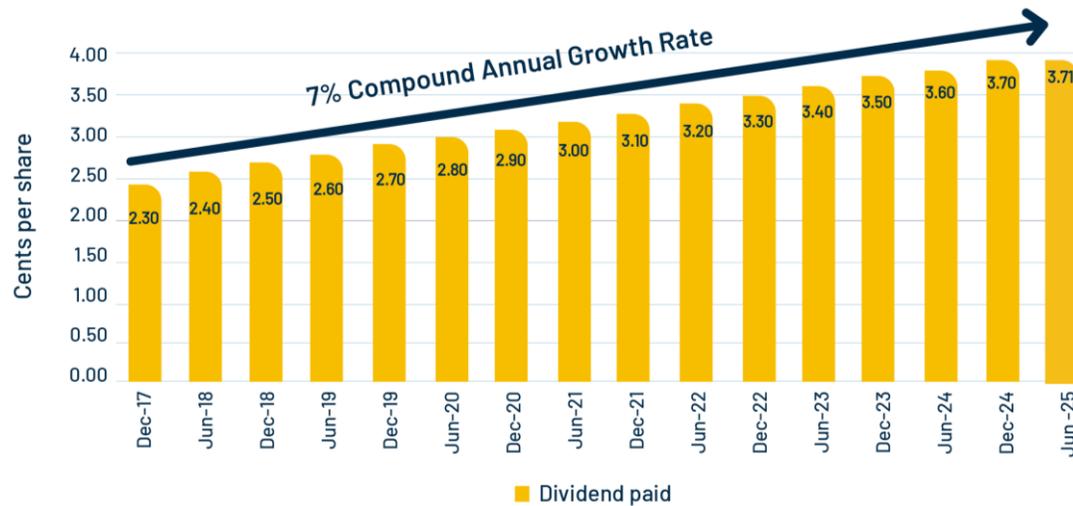
- Total interest paid for FY2024 of **\$6.7 million** (FY2023: \$5.7 million).
- The Company repaid \$108 million of its debt facilities in May 2025. This is expected to substantially reduce the Company's annual interest costs.
- The Company does not have any interest rate hedging arrangements in place.



Dividends

The Company has now paid 16 consecutive and increasing dividends to shareholders since November 2017.

Company Dividend History



- Duxton Water delivered on **both** of its dividend targets in FY2024.
- Shareholders received two fully franked dividends during the year, totalling **7.3 cents per share** (FY2023: 6.9 cents per share).
- The Company was pleased to pay a fully franked Final 2024 dividend of **3.71 cents per share** on Thursday, 24 April 2025.
- Including the April 2025 dividend, a total of **48.7 cents per share** in dividends has been paid to shareholders since November 2017.
- The Company has continued offering its Dividend Reinvestment Plan, allowing eligible shareholders to receive new shares in the Company at a **5%** discount to the 5-day VWAP prior to and including the Record Date.





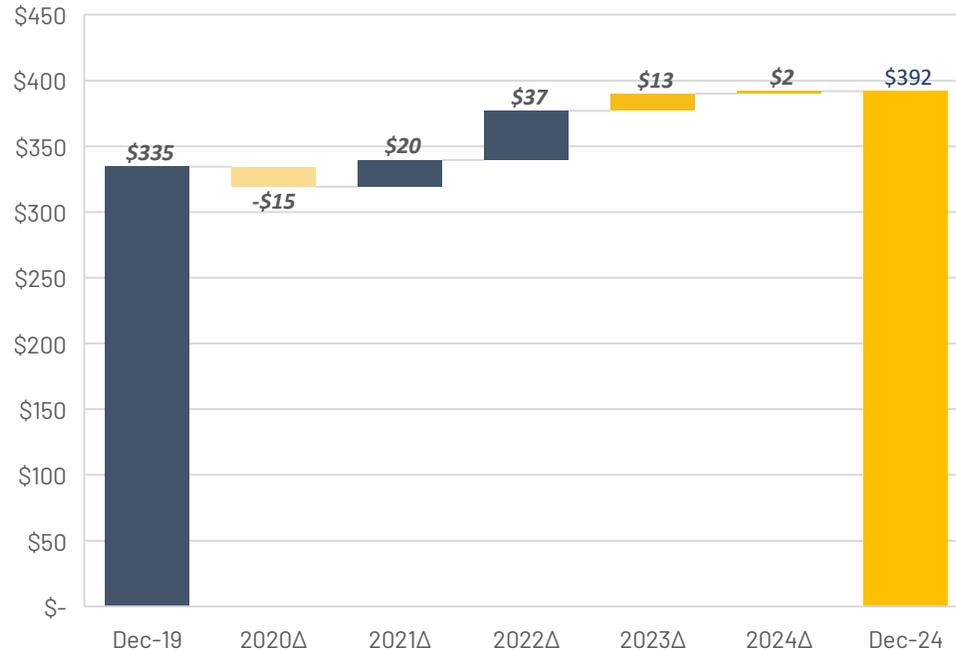
Portfolio Performance



Portfolio Performance

Strategic transactions remained the primary focus for portfolio expansion and rebalancing in FY2024.

WATER PORTFOLIO CHANGE IN VALUE (5 YEARS)*



*Changes in portfolio value reflect net Fair Market Value movements in the water portfolio each year. Fair Market Value is calculated in line with the Company's monthly NAV statement. It is a non-IFRS measure and is not reviewed or audited by the Company's auditor.

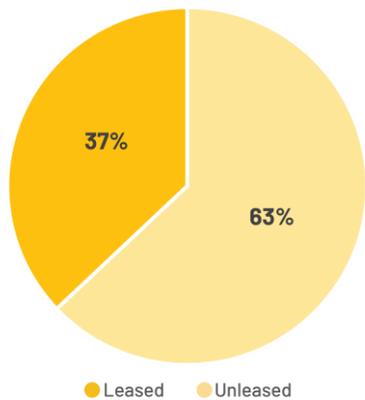
- The Company has continued to focus on expanding and rebalancing its portfolio through strategic sales and acquisitions.
- The entitlement market experienced mixed conditions over the year, with the Ricardo Entitlement Index ("REI") declining in the first half of 2024 before recovering in the second half. Overall, the REI ended the year marginally higher, recording a gain of less than 1%.
- During FY2024, the Company sold **2,799 ML** of NSW 11 high security entitlements for approximately **\$25.2 million**. This related to the acquisition and leaseback that was announced on 3 July 2023. The Company realised a significant profit from this sale.
- Contracted **\$19 million** of water entitlement acquisitions towards the end of 2024. These acquisitions settled in early 2025 and will enhance portfolio diversification and increase flexibility amid evolving climate conditions.



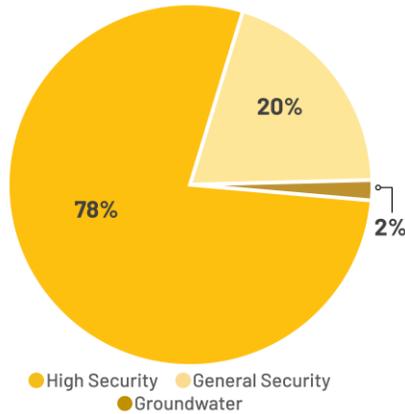
Portfolio Diversification

Diversification remains a strategic focus, providing stability and hedging through variable weather conditions.

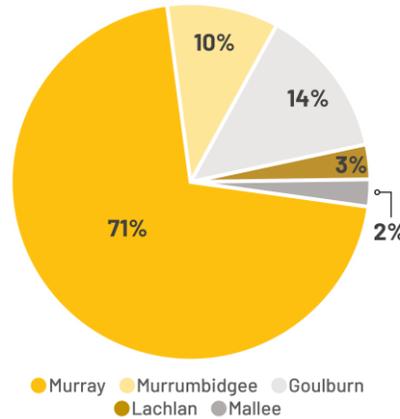
WATER PORTFOLIO DIVERSIFICATION



WATER SECURITY BREAKDOWN



ENTITLEMENT VALUE BY REGION



- The Company remains committed to maintaining a diversified portfolio with the intention of providing shareholders with balanced returns across various climatic scenarios.
- With wetter conditions persisting into early 2024, the Company's general security entitlements delivered above average returns, reinforcing the importance of portfolio diversification.
- Lease yields have exceeded spot yields on high security assets for the last 3-4 years. This has resulted in the lease portfolio providing a significant pricing hedge against persistent lower allocation prices.
- The Company actively monitors water markets for opportunities that complement its existing portfolio holdings.



Lease Portfolio

Demand for leases starting 1 July 2025 has continued to increase over the last 6 months as irrigators look to the years ahead.



- The Company's leasing revenue for FY2024 totalled **\$7.0 million** (FY2023: \$7.9 million), with **37%** of its portfolio locked into long-term leases at 31 December 2024 (31 December 2023: 60%).
- This revenue stream was a key driver of D20's financial performance for the year, highlighting the strength of the Company's long-term agreements.
- Throughout the year, the Company actively engaged with its customer base to renew or extend expiring lease agreements. While demand for long-term water leases was below average in the first half of 2024, interest in leases commencing on 1 July 2025 has increased over the last 6 months.
- Long-term water leases provide D20 with visibility to future revenue at the same time as providing enhanced water security to lessees.

Lease Portfolio	FY2024	FY2023	Difference	% Change
Lease revenue	\$7.0m	\$7.9m	-\$0.9	-11%
Leased %	37%	60%	-23%	-38%
Weighted Average Lease Expiry	2.8 yrs	3.1 yrs	-0.3 yrs	-10%

Lease Portfolio – From 1 July 2025

- In early 2025, the Company secured several new lease agreements to commence 1 July 2025, with both new and existing customers. Based on these contracts and 30 April 2025 independent valuations, the Company expects to have approx. 52% of the portfolio leased at the start of the new water year.
- Ongoing discussions with customers may result in additional leases, which could further increase the leased percentage for the upcoming water year.



Sale of water entitlements to the Australian Government (March 2025)

On 6th March 2025, the Company announced it had executed an agreement to sell \$121.3 million of water entitlements at a premium to fair market value.

- **\$121.3 million sale** – sale of 30,614 megalitres of water entitlements to the Australian Government to support environmental river flows.
- **Premium to NAV** – the sale was executed at a premium to fair market value and was reflected in the Company's March 2025 Monthly Update (released on 4 April 2025).
- **Portfolio impact** – sale includes 3,010 ML of High Security (NSW), 13,114 ML of High Reliability (Victoria), and 14,491 ML of General Security (NSW) water entitlements.
- **Strategic alignment and rebalancing** – the transaction supports the Federal Government's 'Restoring Our Rivers Act' to recover 450GL of water and improve environmental outcomes in the Murray-Darling Basin, while allowing D20 to strategically rebalance its portfolio.
- **Enhanced balance sheet flexibility** – proceeds received in May 2025 have been used to reduce the Company's debt facility by \$108 million, with the remaining cash being used to settle upcoming tax obligations related to the sale, and other operating expenses.

*Further information can be found in the Company's initial [announcement](#).
On 15 May 2025, the Company [announced](#) the transaction had settled.*





Outlook



Trading Update (January 2025 - April 2025)

The Company's share price has increased by 17.4% in the two months to 30 April 2025.

- **Positive Start:** Company's second strongest start to a financial year since 2019. Recording an 11.6% NAV return in the first four months of the 2025 financial year.
- **Sale of Entitlements:** This positive result reflects recent uplift in entitlement valuations, alongside the sale of \$121.3 million of water entitlements to the Australian Government at a premium to fair market value.
- **Weather Conditions:** Dry weather conditions persist across large areas of the southern Murray Darling Basin, leading to reduced daily river inflows and lower dam storage levels when compared to the previous 3-4 years.
- **Increasing Yields:** Reduced supply of water and increasing demand for long-term water security from irrigators has driven a recent uplift in yields on the Company's high security water assets.
- **Reduced Discount:** Following the recent announcement of the water entitlement sale to the Government and the Proposed Internalisation, the Company's share price discount to NAV narrowed to 7% at 30 April 2025. This is down from 17% at the end of February 2025, prior to these announcements.

DUXTON WATER PERFORMANCE - SINCE INCEPTION



Portfolio Performance*	3 Months	6 Months	12 Months	Inception	Annualised
Total NAV Return (to 30 Apr-25)	10.9%	13.6%	14.1%	119.4%	9.5%

*These figures are based on NAV movements and include franked dividends for the period.



Dam Storage Levels

Murray Darling Basin major dam storages are significantly lower when compared to the previous few years.

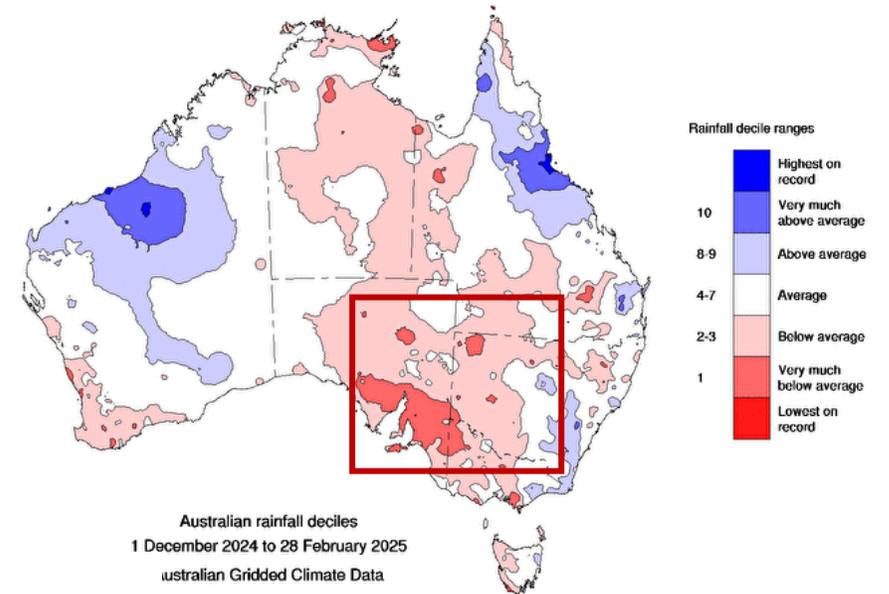
Major Dam Storages	Apr-2021	Apr-2022	Apr-2023	Apr-2024	Apr-2025
Dartmouth (Murray)	64%	93%	96%	94%	78%
Hume (Murray)	43%	86%	91%	62%	23%
Lake Eildon (Goulburn)	57%	77%	94%	92%	62%
Blowering (Murrumbidgee)	82%	94%	85%	66%	32%
Burrinjuck (Murrumbidgee)	78%	96%	79%	72%	43%
Menindee Lakes (Darling)	29%	109%	83%	50%	34%
Weighted Average	57%	90%	90%	77%	50%

Source: Dataset from Murray-Darling Basin Authority.

- Murray Darling Basin major dam storages are at their lowest levels for the end of April, since 2020. This demonstrates the significant shift seen in weather patterns over the last 12 months, following a very wet 36-month period.
- Lower dam storage levels typically result in less water allocations being awarded to water entitlements. This has historically constrained annual water availability.

RAINFALL DECILE CHART (SUMMER 2024/2025)

DECEMBER 2024 - FEBRUARY 2025



Source: The Bureau of Meteorology

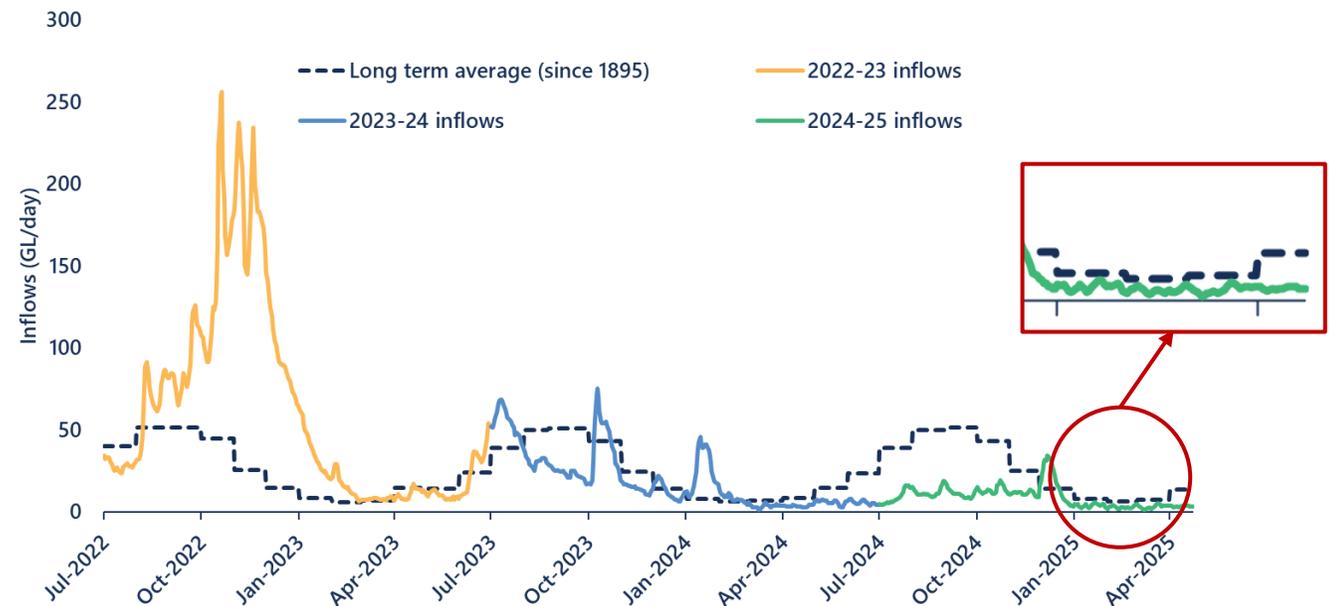


Dam Storage Inflows

Inflows to major dam storages since 1 July 2024 have tracked well-below their long-term averages.

- Inflows into major dam storages have remained well below average since mid-2024.
- This decline in dam storage levels has been driven by significantly drier conditions seen across the southern Murray-Darling Basin over the last 9-12 months.
- Inflows over the next 6 months will be crucial for dam storages heading into summer 2025/2026. This may influence spot prices for next season.
- **Chart interpretation:** the **yellow** line represents what inflows look like in an extremely wet year (2022/2023), the **blue** line represents an average year (2023/2024), and the **green** line represents a dry year (2024/2025). The dotted line represents the long-term average daily inflows to storages.

Daily Inflows to Murray Darling Basin Storages (July 2022 to April 2025)

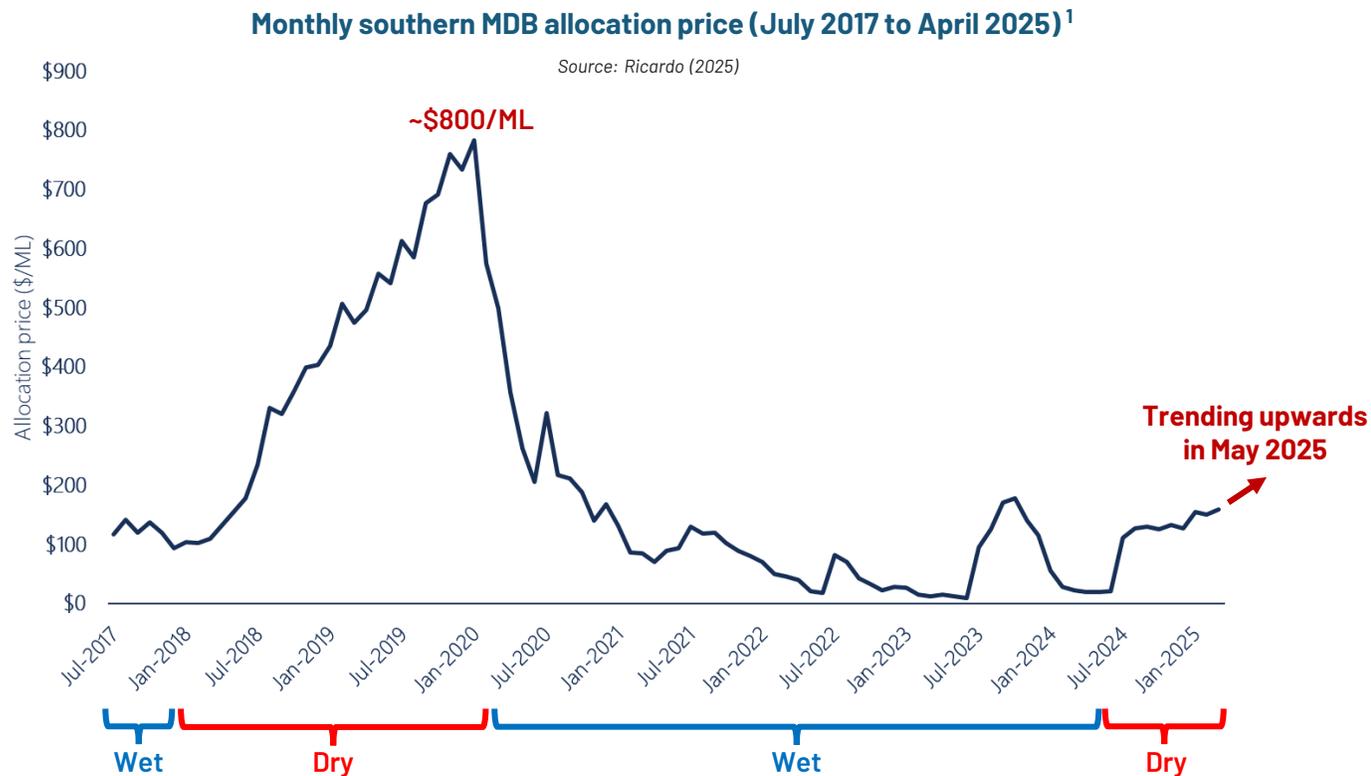


Source: Prepared by Ricardo (2025)



Allocation Market Update

Drier conditions and lower allocation determinations tend to increase spot and lease prices.



- Average allocation prices in the southern Murray-Darling Basin reached a peak of approximately **\$800/ML** in late 2019, following a period of prolonged dry conditions. Water allocation prices in several zones exceeded **\$1,000/ML**.
- Allocation prices have declined substantially from their 2019 peaks, driven by three to four consecutive wet years. Throughout most of FY2025, prices traded around **\$150-\$200/ML**. However, by May 2025, allocation prices in the Lower Murray increased to over **\$300/ML**.
- Historical data indicates a correlation between dry periods and elevated allocation prices, while wet periods have generally resulted in lower prices.
- Limited inflows to dam storages over winter may continue to strain water availability. This may have a significant influence on water allocation prices for next season (2025/2026).
- Allocation prices tend to reflect increased sensitivity to weather patterns and water availability, reinforcing the Company's belief of the strategic importance of portfolio diversification and water security.
- The Company believes that the recent rise in water allocation prices has been a key factor driving increased demand for leases over the past six months.

1. Average of allocation prices across all major southern Murray-Darling Basin zones (Upper Murray, Lower Murray, Goulburn, & Murrumbidgee).

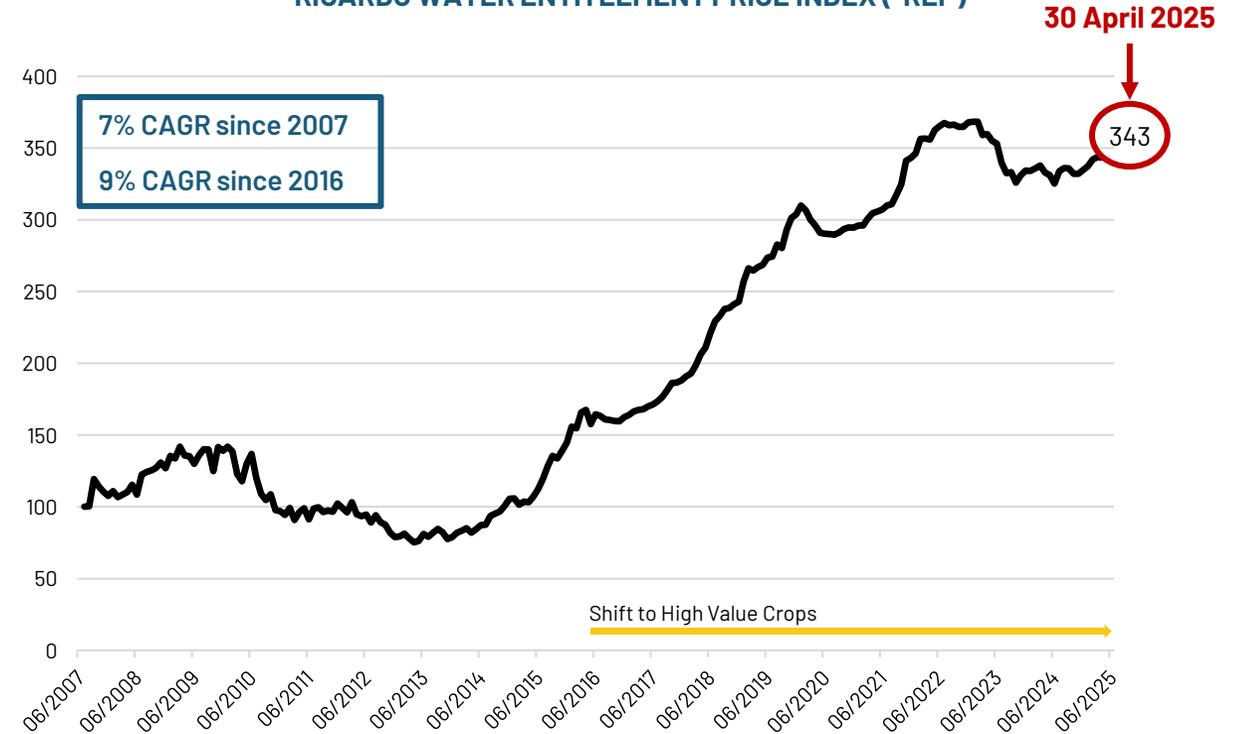


Water Entitlement Market Update

Water is a defensive asset class with a proven track record of strong performance over the last 10-15 years.

- Water as an asset class has continued to generate strong capital returns over the last 10-15 years, increasing by an average of **7% p.a.** since 2007, and **9% p.a.** since 2016.
- Water entitlements have demonstrated strong price resilience through broader market cycles, underpinned by uncorrelated fundamentals when compared to traditional asset classes, strong agricultural demand, and a structurally limited supply base.
- The long-term capital growth of water entitlements has been supported by structural shifts in Australian agriculture, including a transition to higher-value water-dependent crops, such as tree nuts, grapes, and citrus.

RICARDO WATER ENTITLEMENT PRICE INDEX ("REI")

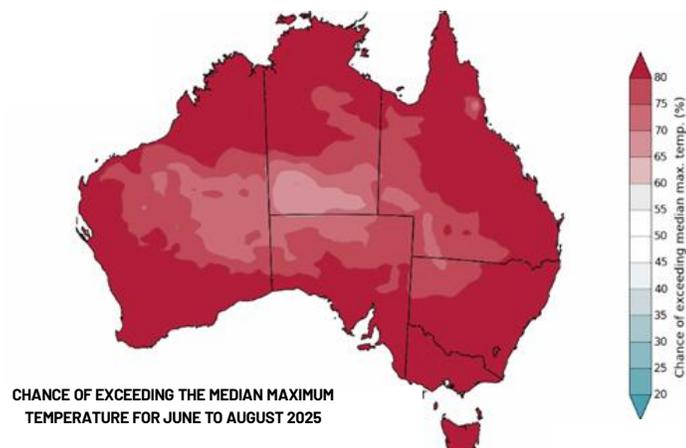
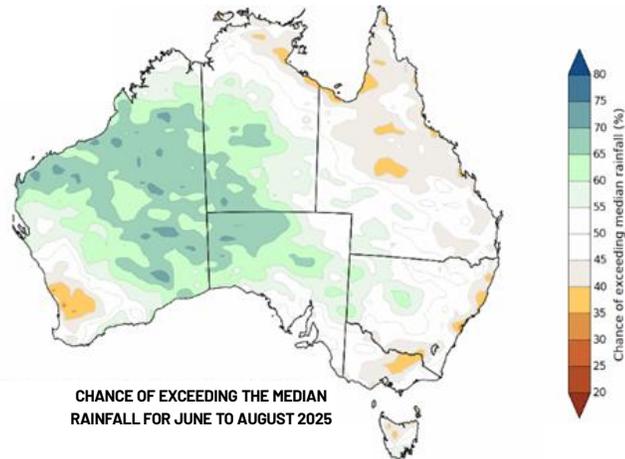


Source: Dataset from (Ricardo). Prepared by Duxton Capital.



Weather Outlook

Duxton Water will continue to work with irrigators to provide water security and flexibility throughout the climate cycle.



- The Bureau of Meteorology forecasts above-average rainfall across much of inland Australia from June to August 2025, while parts of southern and eastern Australia may experience average to below-average rainfall.
- Above-average temperatures are expected across most of the country over the same period.
- ENSO conditions are forecast to remain neutral through to at least October 2025, consistent with all major international climate models. Neutral ENSO phases typically have limited influence on Australian rainfall.
- The Indian Ocean Dipole (“IOD”) is expected to remain neutral through July, with a potential shift towards a negative IOD later in the season, which is historically associated with increased winter-spring rainfall across parts of Australia.

1. Bureau of Meteorology - Long-range forecast - issued 22 May 2025.
 2. Bureau of Meteorology - Climate Driver Update - Issued 20 May 2025
 3. Bureau of Meteorology - Southern hemisphere monitoring - issued 20 May 2025





Internalisation Proposal



Internalisation Overview

Positioning the Company for Long-Term Growth

- On 4 April 2025, the Company announced a proposal to internalise its management team and operational functions, effective 1 June 2025.
- The proposed internalisation reflects the maturity of the business and provides structural certainty as the initial 10-year term of the Company's Investment Management Agreement ("IMA") nears expiry in July 2026.
- Subject to shareholder approval, the IMA will terminate early, removing ongoing external management and performance fees, providing the Company with greater oversight of its personnel and operations.
- Duxton Capital Australia ("DCA") will provide transitional services to D20 for up to 18 months to allow access to systems, and to support a seamless handover of operations, intellectual property, and personnel.
- Portfolio Managers Lachlan Campbell and Lachlan Beech will transition to become direct employees of Duxton Water from 1 June 2025. Mr Campbell and Mr Beech are expected to become key management personnel of D20 upon completion of the internalisation.
- Mr Brendan Rinaldi will assume the role of Independent Chair from 1 June 2025. Mr Rinaldi will succeed Mr Edouard Peter who has been the Company's Chair since 2016.



DUXTON WATER ASX ANNOUNCEMENT

4 April 2025

Internalisation Proposal

Highlights:

- Internalisation of the senior management team and other business functions to Duxton Water Limited, to enhance corporate governance and shareholder alignment.
- Senior management to be employed directly by Duxton Water Limited, providing greater clarity around its future operating structure.
- Mr Edouard Peter who has been the Company's Chairman since 2016, will be stepping down on 1 June 2025, and will continue to serve on the board as a Non-Executive Director.
- Implementation of a transitional services agreement to assist with a smooth transition.

Duxton Water Limited ("the Company" or "D20") is pleased to announce that the Company (led by its independent directors) has agreed with Duxton Capital Australia Pty Ltd ("the Manager" or "DCA") to give effect to an internalisation of the senior management team responsible for managing the Company as part of a broader project for the Company to internalise all operational functions ("Internalisation"). The Internalisation will be subject to shareholder approval at the Company's upcoming Annual General Meeting on 30 May 2025.

With the Investment Management Agreement ("IMA") expiring in July 2026, the Independent Directors have conducted a thorough due-diligence process over the past 12 months. This has involved meeting with and seeking feedback from several shareholders, along with seeking views and advice from investment banks, stockbrokers, legal and accounting firms. As a result of this, the Company and DCA are of the view it is in the best interest of shareholders moving forward to internalise the management of the Company.

The Board would like to reaffirm shareholders that it does not expect this transaction to have a material impact on the Company's operations. With continuity of the current senior management team, and a Transitional Services Agreement ("TSA") with DCA, the Board has confidence of a smooth transition to a fully integrated operational business.

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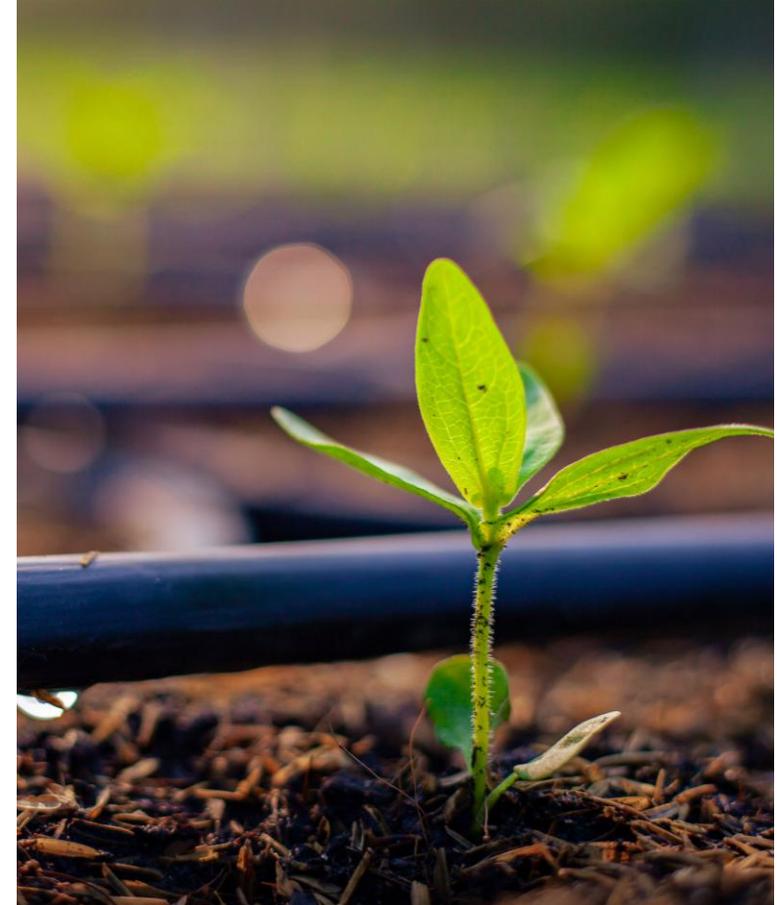
[ASX Announcement - 4 April 2025](#)



Strategic Rationale

Alignment, Oversight, and Efficiency

- The Company has reached operational scale, with internal resources and leadership capable of efficiently and effectively managing the business under an internalised management structure.
- Provides the Company with direct oversight of management and will allow the Board to better oversee performance, manage succession, and design incentive structures to allow a stronger alignment of interests between the Company and its management team.
- Transitioning to an internally managed structure provides shareholders and the Company with greater long-term certainty as it removes the requirement to seek shareholder approval to renew the IMA at the expiry of each term.
- The Board expects the ongoing annual costs of an internal management structure to be lower than the current fees paid to the Investment Manager (management fees & admin fees). This is expected to deliver annual cost savings, based on the Company's current operations and size.
- The proposal represents a strategic evolution of the Company's operating structure. Having successfully navigated its early growth phase, an internalised model will better support sustainable long-term growth.

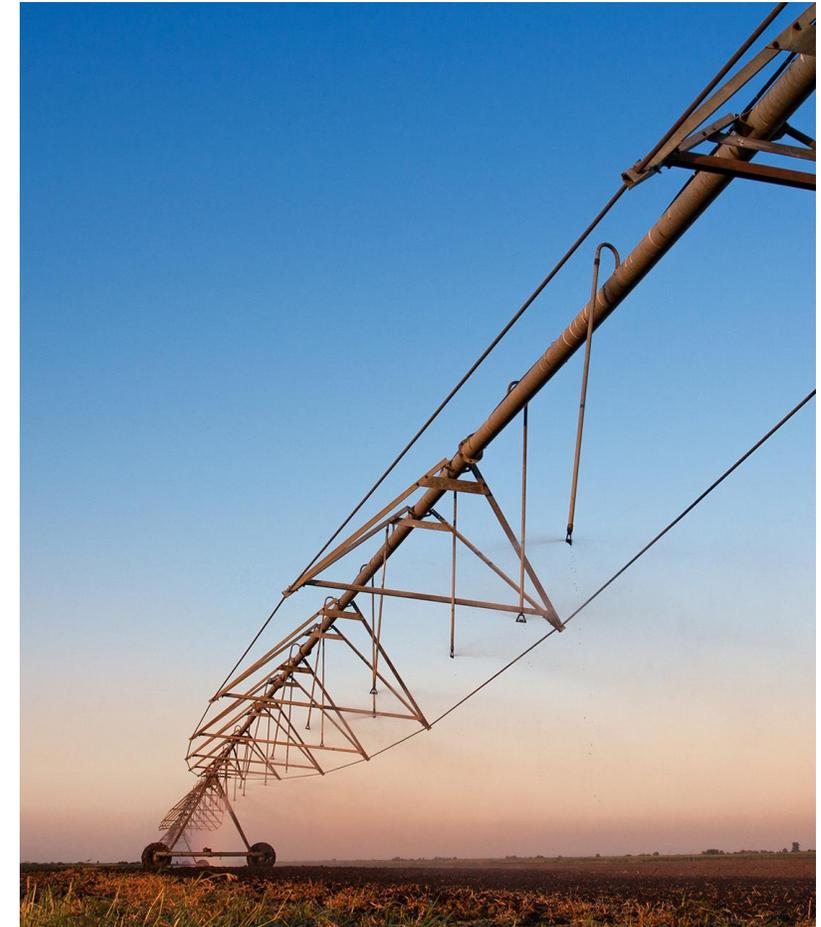


Transitional Services Agreement

Maintaining Operational Continuity During the Transition

- The TSA provides continuity of critical functions during the internalisation process, ensuring that operational, financial, and compliance services remain uninterrupted while internal capabilities are established.
- The TSA has been entered into with DCA to ensure a smooth and orderly transition. D20 does not have any systems, intellectual property, or personnel, so access to these resources that are owned and managed by DCA during the transitional period is essential.
- The Independent Directors are of the view that this agreement materially reduces the execution risk associated with the internalisation process, providing the Company with both additional resources and time to establish the necessary internal capabilities.
- The agreement enables a phased transfer of knowledge, systems, and intellectual property, with continued oversight from Ed Peter and Stephen Duerden.
- The \$230,000 monthly fee payable under the TSA is approximately equal to the current monthly amount paid to DCA for investment management and accounting/finance services, maintaining a substantially similar cost profile.¹
- Subject to approval, Lachlan Campbell and Lachlan Beech will become employees of D20 from 1 June 2025. The Company does not anticipate hiring any additional employees until closer to the completion of the internalisation, thereby limiting staffing and operating costs during the transition period.

1. If internalisation has occurred prior to the end of the 18-month transitional period, the Company will pay DCA the remaining monthly service multiplied by a factor of 1.2 times in one final cash payment.



Process & Governance

Independent Oversight and Structured Implementation

- The internalisation proposal was led by the Investment Manager Assessment Committee (“IMAC”), comprising the Independent Directors of D20.
- The IMAC undertook a comprehensive 12-month review process, which included formal engagement with shareholders and external stakeholders such as investment banks, stockbrokers, and key advisers to ensure a balanced and informed recommendation.
- Key areas of analysis included performance against peers, cost benchmarking, structural efficiency, succession planning, and strategic alignment.
- An Independent Expert Report, prepared by BDO, opined the proposal (in absence of a superior proposal) is fair and reasonable to non-associated shareholders.
- Shareholder approval for the proposal (Resolution 5) will be sought at the current meeting. If approved, the Investment Management Agreement will terminate, and the Transitional Services Agreement will commence on 1 June 2025 to support a phased and orderly transition.



Internalisation Summary

- **Independent Review:** The proposal follows a comprehensive 12-month review led by the Company's Independent Directors.
- **Extensive Stakeholder Engagement:** The review process included meeting with and seeking feedback from several shareholders, as well as obtaining input from corporate advisers, stockbrokers, and an investment bank to support a balanced and informed recommendation.
- **Independent Expert Report:** An Independent Expert Report opined that the proposal (absent of a superior scenario) is fair and reasonable to non-associated shareholders.
- **Reduced Operating Costs:** Internalisation removes the need to pay ongoing management and performance fees, enabling the Company to employ its own management team and enhancing alignment between management and shareholders.
- **Enhanced Control:** Direct employment of senior management provides greater oversight of operations and enables the Board to implement tailored remuneration structures to retain and incentivise key personnel.
- **Continuity of Existing Management:** The current senior management team will transition to direct employment with the Company, ensuring continuity of leadership and minimising disruption to operations during the transition.

The Independent Directors of Duxton Water encourage all shareholders to vote in favour of Resolution 5, in support of the Internalisation.



Items of Business

Consideration of Financial Report and Reports of the Directors and Auditor

RESOLUTION 1: Adoption of Remuneration Report

RESOLUTION 2: Re-election of Director – Dennis Mutton

RESOLUTION 3: Re-election of Director – Brendan Rinaldi

RESOLUTION 4: Approval of additional 10% Placement Capacity

RESOLUTION 5: Approval of Termination of IMA

RESOLUTION 6: Approval of Increase in Non-Executive Director Fees



Key Contacts



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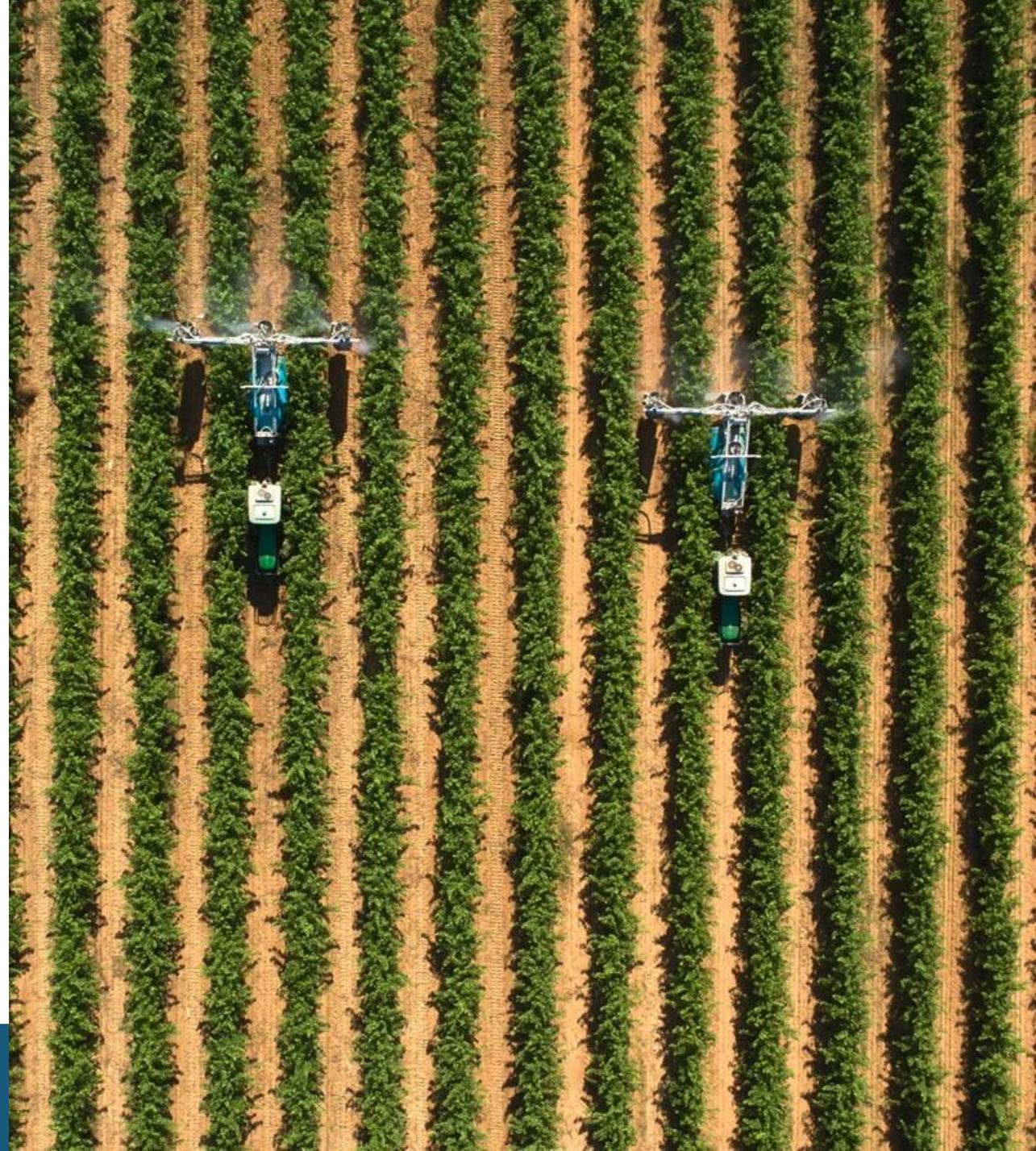
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Duxton Water Board



Ed Peter

CHAIRMAN OF THE BOARD

Prior to forming Duxton in 2009, Ed was Head of Deutsche Asset Management Asia Pacific, Middle East and North Africa and a member of DB's Group Equity Operating Committee and Asset Management Operating Committee. Ed joined Deutsche Bank in 1999 as Head of Equities and Branch Manager of DB Switzerland. In March 2001, Ed was appointed Head of Global Equities for Asia and Australia, becoming responsible for all of Global Emerging Markets Equities in 2003. In 2004, Ed became Head of Asian and Emerging Market Equities for the new Global Markets Division. Ed holds a Bachelor's Degree in English Literature from Carleton College in Northfield, Minnesota. Ed's first foray into agricultural investing was in 1999. He is on the University of Adelaide's Agrifood Board.



Stephen Duerden

NON-EXECUTIVE DIRECTOR

Stephen Duerden is currently the CEO of Duxton Capital (Australia) Pty Ltd. He has 30 years experience in investment management with 20 of those being involved directly in the agricultural industry in Australia. Mr Duerden joined the Duxton Group as a founder in May 2009. Prior to this, he was the COO and Director for both the Complex Assets Investment Team and the Singapore operation of Deutsche Bank Asset Management Asia. He also worked with Deutsche in Australia where he was a member of the Australian Executive Committee responsible for the management of the Australian business, with assets under management of approximately A\$20 billion, and a member of the Private Equity Investment Committee overseeing the management of over \$2.5 billion in Private Equity and Infrastructure assets.



Dirk Wiedmann

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dirk Wiedmann has 25 years of experience in the finance industry. Over his career, Dirk has held senior global positions with several Banks, including UBS AG, Bank Julius Baer & Co Ltd and Rothschild Bank AG. Throughout his time in the industry, Mr Wiedmann has gained a vast range of experience covering international equities and derivatives, business sector market development, executive education and strategic marketing. Dirk has been invested in Australian agriculture business, including wine and dairy operations, since 1999. Until August 2015, Dirk was the Global Head of Investments & Chief Investment Officer at Rothschild Wealth Management and Trust, a Member of the Divisional Board and a member of the Executive Committee of Rothschild Bank AG. Within his role as Global Head of Investments and CIO, Dirk was also responsible for all trading and execution activities and strategic marketing in the Bank.



Dr Vivienne Brand

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr Vivienne Brand is a qualified lawyer who specialises in corporate law research, governance and ethics. She started her career with a leading commercial law firm, working in banking, finance and insolvency for a number of years, before a period working in house in BankSA's Treasury team. Vivienne has several decades of experience on a range of not for profit boards and management committees, including as a Chair of Governance. Vivienne holds a PhD in business ethics and has done significant research in relation to corporate whistleblowing and social licence to operate concepts. Vivienne grew up in the Riverland on an irrigated fruit block and so has a personal understanding of, and interest in, the critical role access to water plays in supporting Australia's agriculture.



Duxton Water Board



Dennis Mutton

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dennis Mutton is an independent consultant in the fields of natural resource management, primary industries, regional growth initiatives, leadership development and government-business relationships. He also holds a range of board Directorships in government, business and not for profit organisations at State and National levels. His full-time work career included executive management roles in both the private and public sectors culminating in 15 years as CEO of a number of South Australian State Government agencies including the Department of Environment, Water and Natural Resources and the Department of Primary Industries and Regions. Dennis also held roles as Commissioner and Deputy President of the Murray Darling Basin Commission and Chair of the SA Natural Resources Management Council.



Brendan Rinaldi

INDEPENDENT NON-EXECUTIVE DIRECTOR

Brendan Rinaldi has 20 years experience in the finance and agribusiness sectors and is the Elders Ltd General Manager for Victoria and Riverina. Brendan held various leadership roles in risk, agribusiness and commercial lending and was previously the State General Manager for Business Banking in South Australia, Northern Territory and Western Australia. Brendan is of a mixed farming and irrigation background in the Murray region of NSW. His leadership roles in Agribusiness include the State Director for ANZ Corporate Agribusiness for Victoria and Tasmania, and the Head of Agribusiness in risk. Brendan holds a Bachelor of Commerce from Latrobe University (Melbourne), is a Chartered Accountant, and also completed the ARITA Education Program (Advanced Insolvency Law).



Katelyn Adams

COMPANY SECRETARY

Katelyn Adams has over 15 years of accounting and board experience, servicing predominantly ASX listed companies. Katelyn is a Chartered Accountant and Partner of the Corporate Advisory division of HLB Mann Judd in Adelaide, as well as the Company Secretary of various listed and private companies. Katelyn has extensive knowledge in corporate governance, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting background. Katelyn is a Non-Executive Director of Clean Seas Seafood Limited, and Company Secretary of Duxton Water Limited, Highfield Resources Limited and Petrathern Limited.



Duxton Investment Team (Water)



Lachlan Campbell

PORTFOLIO MANAGER

Lachlan Campbell joined Duxton in April 2017 and is responsible for managing water-related investment opportunities for Duxton Water Limited. His key responsibilities include overseeing portfolio performance, developing investment strategies, research, key stakeholder management, and driving growth through asset acquisitions and capital raisings. Prior to joining the Portfolio Management team at Duxton, Lachlan held a number of Accounting and Finance positions over 9 years where he gained valuable experience in financial management, taxation, financial reporting and new system implementations for both ASX listed and private entities. Lachlan holds a Bachelor of Commerce (Accounting) from the University of South Australia and is a full member of Chartered Accountants Australia and New Zealand (CAANZ).



Lachlan Beech

PORTFOLIO MANAGER

Lachlan Beech joined Duxton in February 2019. He is responsible for managing the water portfolio and trade functions of the Australian Water Entitlements portfolio. His key responsibilities include overseeing all key functions of the business, the management of trade functions and investment decisions. Prior to joining the Portfolio Management team at Duxton, Lachlan worked as an analyst where he learnt the business from the ground up. Prior to joining Duxton, Lachlan worked at TAFE SA as a Project Officer within their Facilities and Procurement team. Having grown up and worked in the agriculture industry firsthand, Lachlan brings a diverse agricultural background to Duxton. Lachlan holds a double bachelor's in a Bachelor of Business (Marketing) & Bachelor of Business (Innovation and Entrepreneurship) from the University of South Australia.



Mercedes Vera

ASSOCIATE

Mercedes Vera joined Duxton in June 2021 as an Analyst in the Investment team. Her responsibilities include supporting the Portfolio managers with the modelling and reporting obligations for Duxton Water Limited, researching new opportunities, and implementing business strategies. Prior to joining Duxton, Mercedes worked for four years in Banking as part of the analytics team contributing to a range of initiatives, including marketing campaigns, product development, credit risk management and process improvements. Mercedes holds a Bachelor of Economics, a Master of Management (Finance) from the University of Melbourne and a Master of Business Analytics.



Harry Boksem

ANALYST

Harry Boksem joined Duxton in January 2023 as an Analyst in the Investment team. His responsibilities involve research, analytics and trade in the Australian water markets for Duxton Water Limited. Prior to joining the team at Duxton, Harry had worked in the pharmaceutical industry for 3 years. He holds a double degree in Law (Honours), and a Bachelor of Business in Economics, Finance and Trade from the University of South Australia.

