

# DUXTON WATER LIMITED JUNE 2025 HALF-YEAR REPORT



PROUDLY SUPPORTING AUSTRALIAN IRRIGATORS AND FARMERS  
ACN 611 976 517







# CONTENTS

Key Highlights	6
Directors' Report	11
Lead Auditor's Independence Declaration	27
Statement of Profit or Loss and Other Comprehensive Income	28
Statement of Financial Position	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Condensed Notes to the Financial Statements	32
Directors' Declaration	45
Independent Auditors Review Report	46
Corporate Directory	48



# HALF-YEAR 2025 SNAPSHOT

Duxton Water Limited (“D20”) provides investors with a direct and pure exposure to Australian water markets. D20’s primary business activity is to build a diversified portfolio of water entitlements, and through active management, generate a return by offering a range of water supply products to Australian water users.

11.0%

PORTFOLIO  
RETURN  
(6 MONTHS)<sup>1</sup>

\$291M

WATER  
PORTFOLIO  
VALUE<sup>2</sup>

\$1.65

PER SHARE  
NON-  
STATUTORY  
NET ASSET  
VALUE  
(POST TAX)<sup>2</sup>

59.0GL

TOTAL WATER  
OWNED

52%

LEASED  
PORTFOLIO

3.7

YEARS  
WALE<sup>3</sup>



1. Total portfolio return is based on post-tax NAV movements and includes franked dividends for the 6-month period to 30 June 2025.  
2. Non-statutory Net Asset Value (NAV), adjusting for water entitlements held at cost in the Financial Statements of \$228.5m. This includes permanent water entitlement acquisitions that are contracted but not yet settled.  
3. Weighted Average Lease Expiry at 1 July 2025.



# HALF-YEAR HIGHLIGHTS

The first half of 2025 has been a transformational period for Duxton Water Limited ("the Company" or "D20"). It was marked by record financial performance and strategic initiatives that have fundamentally strengthened the Company's position. We are pleased to report exceptional results that demonstrate the value of our active portfolio management approach and strategic vision. Key highlights include:

- 1. Record Financial Performance:** Delivered a record half-year Net Profit Before Tax of \$35.3m (vs \$11.8m in 1H2024). This strong result was supported by a 6-month total portfolio return of 11.0% (post-tax).
- 2. Significantly Improved Balance Sheet:** Reduced gearing from 31% to 5% by repaying \$98 million in debt during the half-year period, significantly enhancing balance sheet flexibility, and reducing interest expenses.
- 3. Strategic Portfolio Rebalancing:** Sold \$135.2 million of water entitlements to the Australian Government at a premium to our previous valuations, generating substantial gains for shareholders while maintaining a diversified portfolio.
- 4. Internalisation of Management:** Obtained shareholder approval to internalise management, eliminating ongoing management and performance fees while maintaining operational continuity.
- 5. Improving Market Conditions:** High security lease yields have improved to approximately 4-6%p.a. due to drier conditions and lower storage levels, with 52% of the portfolio leased, providing a stable income stream.

## RECORD FINANCIAL PERFORMANCE DRIVES SHAREHOLDER VALUE

Duxton Water delivered its strongest half-year results since inception. The Company generated a record Net Profit Before Tax of \$35.3 million, compared to the prior half-year result of \$11.8 million. This outstanding performance resulted in an 11.0% post-tax total return over the six-month period, with our non-statutory NAV increasing to \$1.65 per share.

This result reflects the continued execution of our operational strategy, underpinned by disciplined portfolio management and our ability to capitalise on favourable market conditions. The Company maintained its consistent dividend track record, paying a fully franked dividend of 3.71 cents per share in April 2025.



## BALANCE SHEET TRANSFORMATION ENHANCES FLEXIBILITY

We have fundamentally transformed our balance sheet, reducing our net debt-to-assets ratio ("LVR") from 31% to 5% through the repayment of \$98 million in debt. This significant deleveraging was achieved using proceeds from recent entitlement sales, positioning the Company with greater financial flexibility to pursue value-accretive opportunities.

This enhanced balance sheet strength provides a range of benefits. It significantly reduces interest expenses, improves resilience across varying market conditions, and substantially increases our capacity for further strategic acquisitions. Our LVR now sits well below our 40% covenant limit, providing considerable headroom to support future growth initiatives.

## STRATEGIC PORTFOLIO REBALANCING

Our active portfolio management approach delivered exceptional value through the strategic sale of \$135.2 million of water entitlements at a premium to our previous valuations. This included \$121.3 million sold to the Australian Government under the 'EOI 2 - Large Portfolios' program, plus an additional \$13.9 million through the Selected Catchments Open Tender.

These transactions allowed us to rebalance our portfolio by divesting non-core entitlements while maintaining a diversified exposure to our preferred holdings. The Company's recent entitlement sales have generated substantial value for shareholders while supporting the Government's environmental water recovery objectives under the Restoring Our Rivers program.

## MANAGEMENT INTERNALISATION DELIVERS OPERATIONAL ADVANTAGES

At the Company's May 2025 AGM, shareholders approved the internalisation of Duxton Water's management team, and termination of the Investment Management Agreement ("IMA") which occurred on 1 June 2025.

This outcome followed a strategic review led by the independent directors ahead of the expiry of the Investment Management Agreement's initial 10-year term. The review assessed the Company's prior performance while considering the future direction of the Company. This strategic transition eliminates ongoing management and performance fees while providing direct control over operations and personnel.

The internalisation process ensures operational continuity with Lachlan Campbell and Lachlan Beech becoming the Company's first employees on 1 June 2025. Brendan Rinaldi stepped into the role of Independent Chairman, after serving on the board since 2022, and will lead our board through this next phase of growth.



IMPROVED MARKET CONDITIONS SUPPORT INCOME GENERATION

After nearly four years of wet conditions that suppressed returns on high security water entitlements, market dynamics have shifted. High security lease yields have improved to approximately 4-6% p.a., driven by lower storage levels and the re-emergence of drier weather patterns across key agricultural regions.

These improved market conditions, combined with our strategic positioning, has enabled us to maintain 52% of our portfolio under lease arrangements, providing a stable and predictable income stream. Recent conditions have driven increased demand for long-term water leases, supporting sustained higher lease rates for high security assets when compared to the 2021-2024 period.

STRATEGIC FRAMEWORK EVOLUTION

Building on our strong operational foundation, we are evolving our strategic framework to support long-term value creation. This includes reviewing our portfolio weightings to ensure optimal balance, refining our guidelines around dividends, debt usage and hedging, and strengthening internal capital management frameworks to guide future capital allocation decisions.

These initiatives are designed to complement our existing strengths and enhance our ability to deliver sustainable returns across varying market cycles.

OUTLOOK

The combination of our strengthened balance sheet, improved market conditions, and enhanced operational control positions Duxton Water exceptionally well for continued value creation.

We remain on track to complete the internalisation within the Transitional Services Agreement period, and we look forward to sharing more details on our refined strategic framework in the second-half of 2025.



*Brendan Rinaldi*

**Brendan Rinaldi**  
Independent Chairman



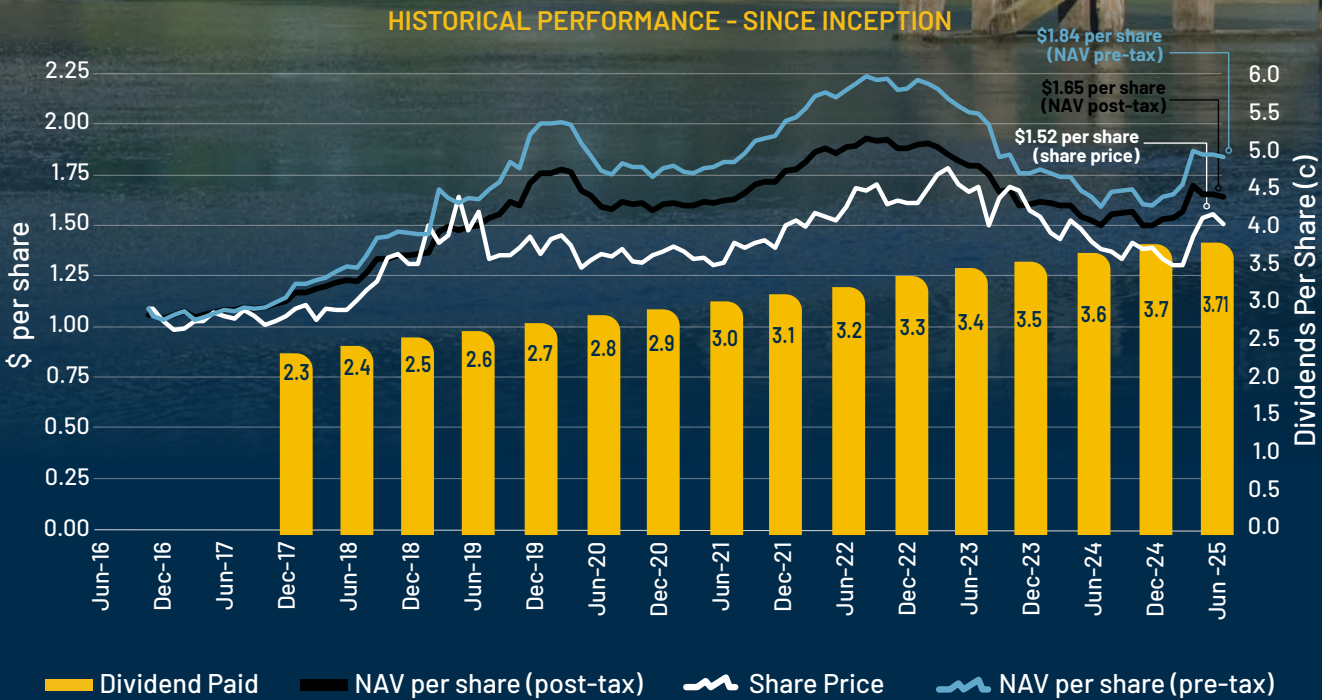
*Lachlan Campbell*

**Lachlan Campbell**  
Portfolio Manager



*Lachlan Beech*

**Lachlan Beech**  
Portfolio Manager



NAV Per Share (Post-Tax) = Non-statutory Net Asset Value (NAV), adjusting for water entitlements held at cost in the Financial Statements of \$228.5m. This includes permanent water entitlement acquisitions that are contracted but not yet settled.





# DIRECTORS' REPORT FOR THE HALF-YEAR ENDING 30 JUNE 2025



The Directors of Duxton Water Limited submit herewith their Directors' report, the financial report of Duxton Water Limited ("the Company") or ("Duxton Water") for the half-year ended 30 June 2025 and the Independent Auditor's Review Report. In order to comply with provisions of the Corporations Acts 2001, the Directors' Report is as follows:

## DIRECTORS

The names of the Directors of the Company that held office during and since the end of the interim period are:

Mr Brendan Rinaldi

Mr Edouard Peter

Mr Stephen Duerden

Mr Dirk Wiedmann

Mr Dennis Mutton

Dr Vivienne Brand

The above named Directors held office since the start of the financial year unless otherwise stated.

The office of Company Secretary is held by Mrs Katelyn Adams.

## PRINCIPAL ACTIVITIES

There has been no change in the principal activities of the Company. The Company has continued to actively manage a portfolio of Australian water entitlements primarily focused in the southern Murray-Darling Basin. Income is derived through the provision of water supply solutions to mainly primary producers through a combination of long-term lease arrangements, and the sale of temporary water allocations to support Australian agricultural production.

There were no significant changes in the nature of the activities of the Company during the period.



REVIEW OF OPERATIONS

OPERATIONAL PERFORMANCE

- Duxton Water delivered a record half-year Net Profit Before Tax of \$35.3 million for the period ended 30 June 2025 (1HY2024: \$11.8 million).
- The Company paid a fully franked dividend of 3.71 cents per share in the first-half of 2025 (1HY2024: 3.60 cents per share).
- Recorded a total NAV return of 11.0% during the period.
- Substantially reduced LVR from 31% to 5%.
- Internalisation of management and key operational functions is underway.

Over the last 6 months:	HY2025	HY2024	Difference
Share Price	\$1.52	\$1.39	+13 cents
NAV per share (post-tax) <sup>1</sup>	\$1.65	\$1.51	+14 cents
Dividends Paid	3.71 cents	3.60 cents	+0.11 cents
Water Portfolio Valuation (\$m) <sup>1</sup>	\$291m	\$354m	-\$63m
Water Owned (GL)	59.0GL	87.3GL	-28.3GL
Leased %	52%	61%	-9%

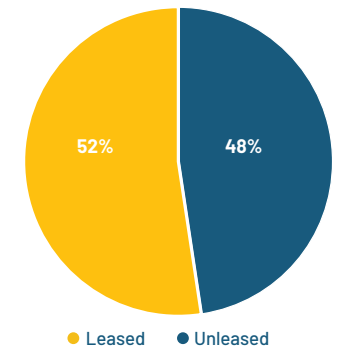
The Company has recorded its strongest half-year result since inception. This was primarily driven by the successful execution of its portfolio rebalancing strategy. The result was underpinned by a significant gain on the sale of 32.6 GL of water entitlements to the Commonwealth Government through its voluntary entitlement buyback programs.

These entitlements were sold at a premium to previous valuations, delivering substantial gains. At 30 June 2025, Duxton Water’s portfolio comprised of 59.0 GL of permanent water entitlements, with a fair market value of \$291 million.

Recurring revenue from the Company’s long-term lease portfolio remained resilient, providing a stable and predictable revenue stream throughout the half-year. With 52% of the portfolio leased, the Company is well positioned to generate consistent lease income while retaining flexibility to capitalise on improving market conditions.

Toward the end of the half-year period, the Company secured several new lease agreements with both existing and new counterparties. These agreements enabled the Company to maintain its leased percentage at 52% from 1 July 2025. Without securing these new lease agreements, the Company’s opening leased percentage would have been reduced to 38%. This increased lease percentage provides the Company with greater revenue certainly heading into the new water year.

WATER PORTFOLIO DIVERSIFICATION



ACTIVE MANAGEMENT

The Company’s recent positive results highlight the benefits of investing in an actively managed portfolio. Over the last six-months the Company has generated significant value for shareholders through:

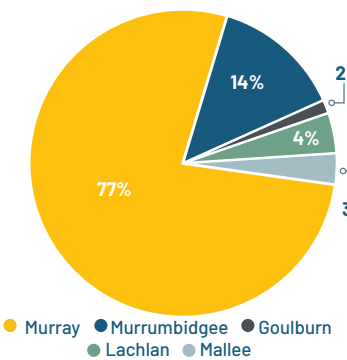
- Portfolio rebalancing
- Active management of its unleased water allocations
- Equivalency leasing

Duxton Water remains committed to actively managing its portfolio to optimise performance through cycles. The Company’s operational strategy continues to focus on balancing long-term lease income with active trading, underpinned by disciplined risk management, and a strong understanding of market fundamentals.

PORTFOLIO REBALANCING

Duxton Water actively reviews and adjusts its portfolio composition to respond to shifting market conditions and valuation opportunities. This rebalancing strategy involves selective acquisition and divestment of water entitlements to enhance capital efficiency, manage exposure to specific entitlement types, and optimise long-term returns. By targeting assets with attractive value propositions and strategic relevance, the Company ensures its portfolio remains aligned with both income and growth objectives across varying climate and market cycles.

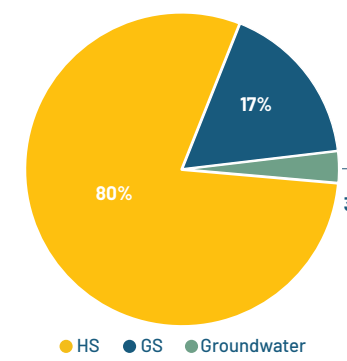
ENTITLEMENT VALUE BY REGION



UNLEASED WATER ALLOCATIONS

The Company maintains a disciplined approach to managing its unleased water allocations, seeking to maximise short-term income while maintaining flexibility to meet future leasing or trading opportunities. This includes the strategic timing of forward and allocation sales to capture favourable market prices, as well as reserving volumes to meet contractual or seasonal demand from irrigators. Through proactive engagement with the market and close monitoring of supply-demand dynamics, the Company aims to maximise utilisation of its uncommitted allocation holdings.

WATER SECURITY BREAKDOWN



EQUIVALENCY LEASING

Equivalency leasing is a flexible water delivery mechanism that enables Duxton Water to meet customer delivery requirements using its whole portfolio (where permitted). By leveraging its water market knowledge, the Company can offer irrigators consistent access to water even when specific entitlement types are limited, without compromising operational reliability.

TAILORED LEASE SOLUTIONS

Duxton Water continues to support the development of sophisticated water strategies to its customers, advocating for long-term planning that accounts for both market pricing uncertainty, and climatic variability. The Company remains committed to providing secure, reliable water access through tailored leasing structures that align with the evolving needs of its customer base. The Company is currently working with several customers to design bespoke water supply solutions.

1. Non-statutory value, adjusting for water entitlements held at cost in the Financial Statements of \$228.5m. At 30 June 2025, the Company’s statutory Post-Tax Net Asset Value is \$1.37 per Share.



PORTFOLIO SUMMARY AT 30 JUNE 2025

Duxton Water owns and operates a diversified portfolio of Australian water entitlements across 18 different entitlement types and zones. At 30 June 2025, Duxton Water’s portfolio is valued at \$291 million<sup>1</sup> (30 June 2024: \$354 million).

The decline in portfolio valuation reflects the sale of 32.6 GL of water entitlements to the Government under the 2025 buyback program. Meanwhile, the value of the remaining portfolio broadly increased in value, in-line with the 2.7% uplift that was observed in the Ricardo Entitlement Index over the first-half.

ENTITLEMENT TYPE HELD	31/12/2024	ML CHANGE	30/06/2025
VIC 1A Goulburn HR	13,114	(13,114)	-
VIC 1A Goulburn LR	1,401	-	1,401
VIC 1B Boort HR	376	-	376
VIC 3 Goulburn HR	421	-	421
VIC 6 Murray HR	5,817	-	5,817
VIC 6 Murray LR	313	-	313
VIC 6B Murray HR	1,344	-	1,344
VIC 7 Murray HR	7,337	40	7,377
NSW Murray 10 HS	6,260	(3,010)	3,250
NSW Murray 10 GS	14,491	(14,491)	-
NSW Murray 11 HS	6,650	(1,000)	5,650
NSW Murray 11 GS	7,225	(1,000)	6,225
NSW Murray 11 Supp	83	-	83
NSW Murrumbidgee 13 HS	2,390	-	2,390
NSW Murrumbidgee 13 GS	7,322	-	7,322
NSW Lachlan Valley – Jemalong Irrigation GS	2,660	-	2,660
NSW Lachlan Valley – GS	4,504	-	4,504
SA Murray HS	6,248	27	6,275
SA Mallee Prescribed Wells Area – Parilla Red Zone	500	-	500
SA Mallee Prescribed Wells Area – Parilla Green Zone	3046	-	3046
Total	91,502	(32,548)	58,954

Breakdown by zone of permanent water entitlements held by the Company at 30 June 2025.

1. Non-statutory value, which adjusts statutory water entitlements held at cost of \$228.5m to fair market value of \$291m.





MARKET OVERVIEW

Major southern Murray-Darling Basin (“sMDB”) storages fell to their lowest levels (for 30-June) since 2020. Increased uncertainty and the chance of drier conditions prompted irrigators to reassess future water needs, leading many to secure additional supply ahead of the upcoming season. This surge in demand drove allocation prices to higher levels across most major systems when compared to the previous 3-4 years.

In the lower Murray, allocation prices held relatively stable between \$130 - \$150/ML between July 2024 and December 2024. That being said, allocation prices climbed steadily to finish at ~\$270/ML by June 2025. This upward pressure was driven by tightening supply and expectations of lower opening allocations following below-average inflows during the year. The rising spot price also drove demand for lease and forward allocation contracts, as some irrigators opted for multi-year approaches.

SEASONAL OPENING ALLOCATION AWARDS

		1-Jul-21	1-Jul-22	1-Jul-23	1-Jul-24	1-Jul-25
Goulburn	HR	33%	66%	100%	69%	31%
	LR	0%	0%	0%	0%	0%
VIC Murray	HR	21%	94%	88%	66%	39%
	LR	0%	0%	0%	0%	0%
NSW Murray	HS	97%	97%	97%	97%	97%
	GS	3%	43%	55%	35%	1%
SA Murray	HS	100%	100%	100%	100%	100%
	GS	N/A	N/A	N/A	N/A	N/A
Murrumbidgee	HS	95%	95%	95%	95%	95%
	GS	30%	35%	37%	28%	4%

The entitlement market has shown signs of renewed strength. From 1 July 2024 to 30 June 2025, entitlement values increased approximately 5.7% (Ricardo Entitlement Index), reversing much of the weakness experienced throughout 2023 and early 2024. While market depth remains thinner than in peak trading periods, buyer interest remains strong and has broadened across entitlement types.

The Company remains focused on actively managing its portfolio in line with changing market dynamics, maintaining a long-term strategy centred on delivering stable, risk-adjusted returns through diversified entitlement exposure and disciplined capital allocation.

SYSTEM INFLOWS AND STORAGE LEVELS

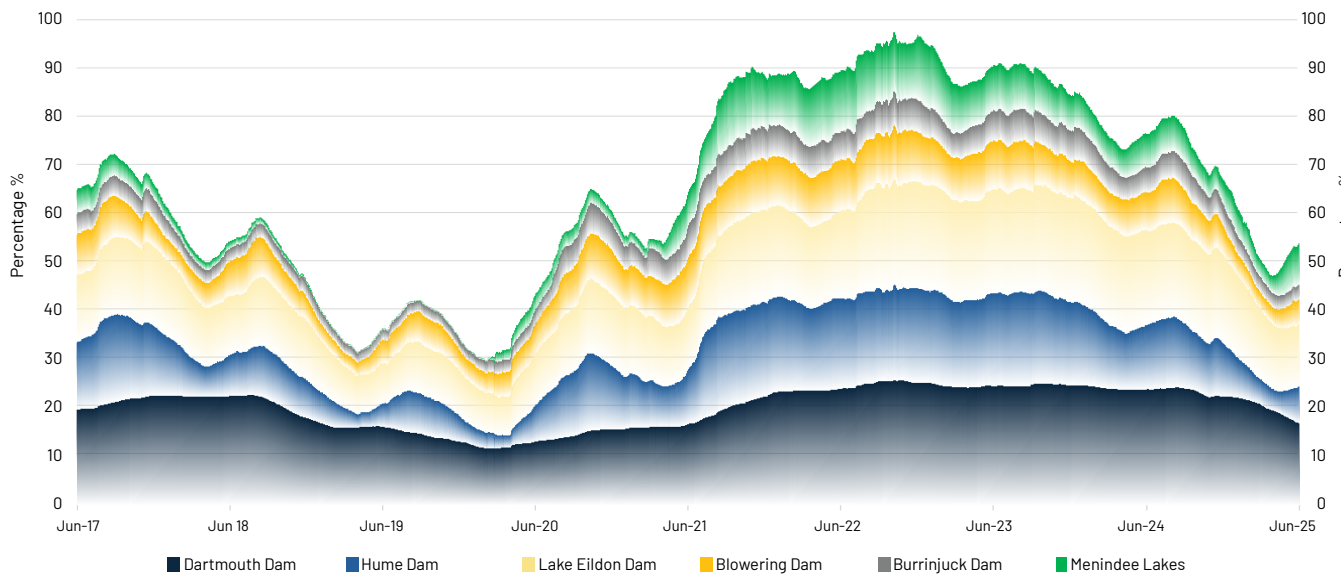
At 30 June 2025, sMDB storages closed at a weighted average of 55%. This is the lowest year-end weighted average storage level recorded since 2020. This result reflects a combination of below-average rainfall, reduced inflows, and elevated demand from irrigators in response to persistent drier conditions.

Across the 2024/2025 water year, the sMDB experienced its most notable storage drawdown during late summer and early autumn, when rainfall across key catchments was limited. The Company anticipates that rainfall and inflows to major storages in the coming months will likely influence allocation determinations and spot prices leading into summer.

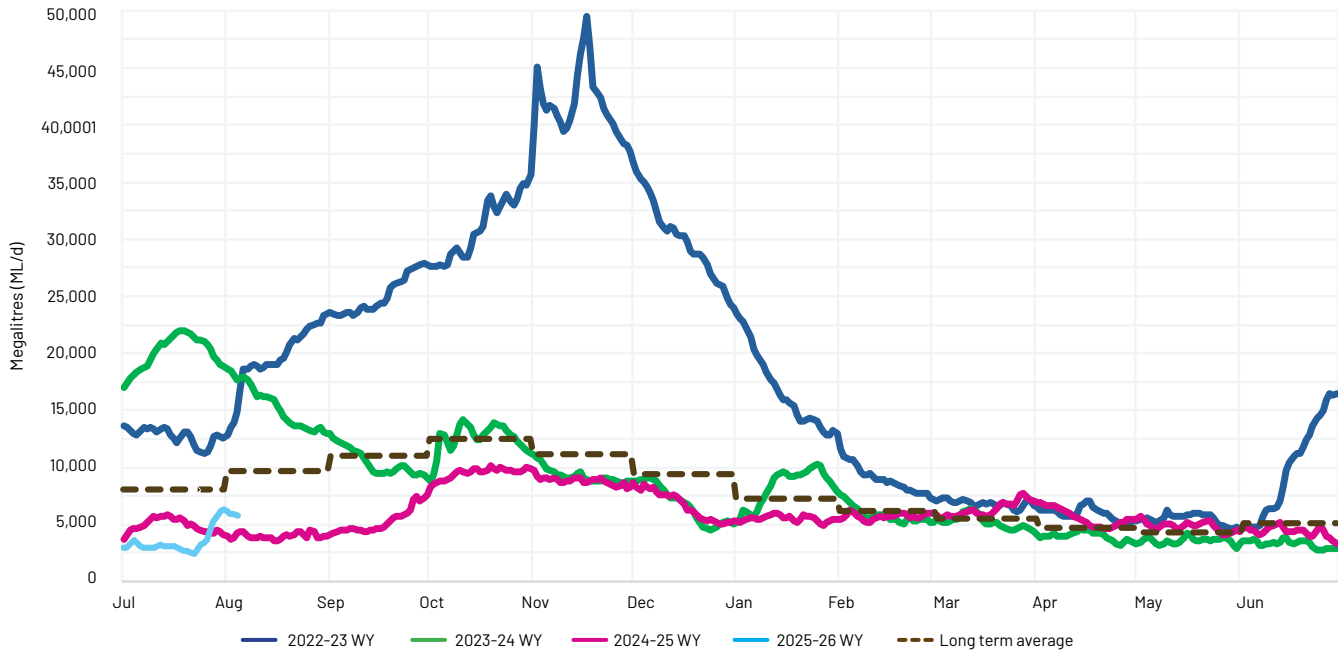
SOUTHERN BASIN DAM STORAGE LEVELS (ANNUAL)

	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Dartmouth	67%	95%	97%	94%	69%
Hume	61%	94%	97%	67%	34%
Lake Eildon	59%	83%	97%	88%	56%
Blowering	96%	97%	93%	74%	48%
Burrinjuck	98%	87%	91%	75%	43%
Menindee Lakes	63%	110%	83%	62%	71%
Weighted Average	69%	94%	94%	80%	55%

AGGREGATE RIVER MURRAY DAM STORAGES



DAILY INFLOWS TO THE MURRAY DARLING BASIN





WEATHER OUTLOOK

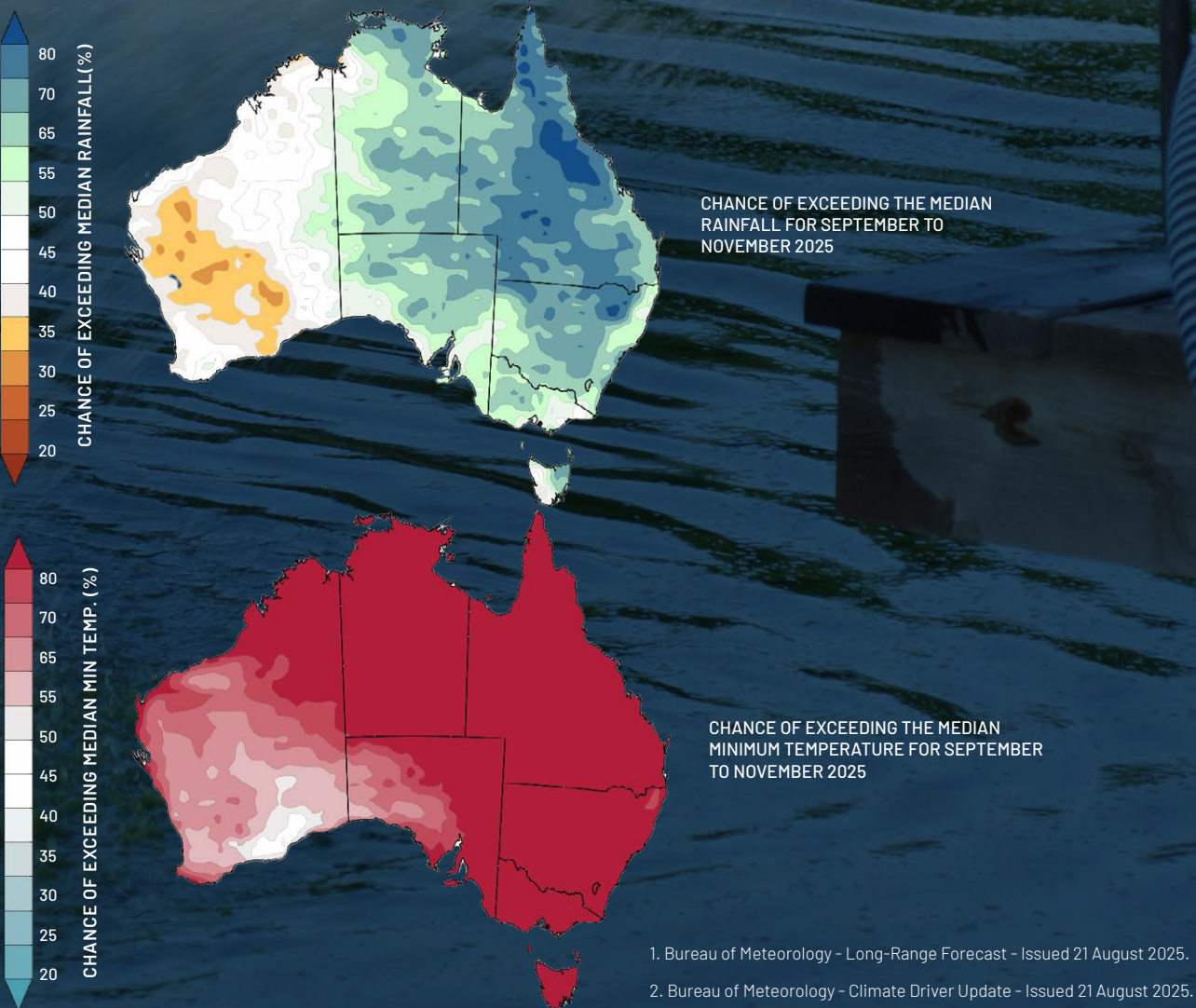
Heading into the 2025/26 water year, prevailing climate indicators suggest an increased likelihood of wetter than average conditions. This marks a notable shift from the outlooks provided earlier this year, which pointed to a higher probability of drier than average conditions for large areas of Australia.

This change in forecast serves as a reminder of the inherent unpredictability of weather patterns and the importance of having a well-defined strategy in place. It also highlights the need for Duxton Water to maintain a diversified and balanced portfolio that can perform effectively across a wide range of climatic scenarios.

Rainfall across the sMDB during the first-half of 2025 has been mixed. South-eastern regions experienced significantly below-average rainfall, resulting in drought like conditions in parts of South Australia and Victoria. Conversely, the north-eastern regions recorded well above-average rainfall, triggering significant flooding events in Queensland and northern New South Wales.

The El Niño Southern Oscillation (“ENSO”) is currently in a neutral phase. However, the Bureau of Meteorology continues to maintain a La Niña Watch, indicating a 50% chance of La Niña developing during spring. Historically, La Niña events have been associated with increased rainfall across eastern and northern Australia.

Similarly, the Indian Ocean Dipole (“IOD”) remains in a neutral state. However, all international models, including the Bureau of Meteorology, are forecasting a negative IOD to occur during Spring 2025, with an expected return to neutral in early summer.



GOVERNMENT WATER BUYBACKS

The Commonwealth Government has continued to progress its water recovery initiatives in the first-half of 2025 under the following three programs:

- Resilient Rivers
- Sustainable Communities
- Voluntary Water Purchases

Together these programs aim to recover 450 GL of water entitlements for environmental purposes across the MDB.

The Government has three distinct programs with respect to voluntary water purchases.

TENDER 1 - RESTORING OUR RIVERS SELECTED CATCHMENT OPEN TENDER:

This tender for 70GL closed in September 2024 and the Government started accepting tenders in December 2024 with evaluation continuing into 2025. On 6 August 2025, the Government announced that Tender 1 has now concluded and that no more offers were being accepted.

EOI 1 - REMAINING SOUTHERN CONNECTED BASIN:

This EOI closed in November 2024 and was open to water entitlement holders that were not eligible to participate in Tender 1. In June 2025, the Government advised that as part of EOI 1, it had received over 1,000 submissions for over 160 GL of water entitlements. Approximately half of these submissions aligned with appropriate pricing and represented ‘value for money’.

EOI 2 - LARGE PORTFOLIOS:

This EOI closed in late 2024 and was open to owners of water entitlement portfolios who were willing to sell ~20GL or more. In February 2025, the Government commenced a program to purchase up to 100 GL of entitlements through this process.

PROGRESS - 31 MARCH 2025

The following table shows progress towards the 450 GL target for enhanced environmental outcomes at 31 March 2025:

Target	Water recovery registered	Water recovery contracted (not yet registered)	Remaining recovery
450.0 GL/y	104.1 GL/y	53.2 GL/y	292.7 GL/y

<https://www.dcceew.gov.au/water/policy/water-recovery/progress>

With respect to future buybacks, the government is taking a staged approach, with future purchases to be guided by program results, expert advice, and market analysis. Under the current legislation, all recoveries must be contracted to meet the 450 GL target by 31 December 2027.

<https://www.dcceew.gov.au/sites/default/files/documents/restoring-our-rivers-delivering-450-gl-implementation-plan-july-2025-update.pdf>



FINANCIAL OVERVIEW

During the period ended 30 June 2025, the Company:

- Recorded its highest ever half-year Net Profit Before Tax of \$35.3 million.
- Paid a fully franked dividend of 3.71 cents per share in April 2025.
- Reduced drawn debt by \$98 million, enhancing balance sheet flexibility.

Over the last 6 months, water entitlement prices have started to rebound, contributing to an increase in the Company's post-tax NAV<sup>1</sup>. As of 30 June 2025, the Company's post-tax NAV<sup>1</sup> based on Fair Market Value was \$1.65 per share, compared to \$1.54 per share as of 31 December 2024.

The Company maintained a strategic and proactive approach to managing its portfolio of water entitlements. In the first-half of 2025, the Company successfully realised a \$34.3 million gain from the sale of permanent water entitlements.

As of 30 June 2025, the Company is carrying \$61.8 million (or \$0.40 per share) in unrealised gains on the water portfolio. These unrealised gains are excluded from the statutory financial statements due to the application of Australian Accounting Standards.

The statutory NAV of the Company, in accordance with Australian Accounting Standards (which excludes unrealised gains), is \$1.37 per share at 30 June 2025, up from \$1.25 per share at 31 December 2024.

VALUATION EXPERT

The portfolio continues to be valued on a dry equivalent basis by Ricardo Energy, Environment & Planning Pty Ltd (previously Aither Pty Ltd). Ricardo PLC employs a market valuation approach to determine a Fair Market Value, which draws on publicly available water trade data from the relevant state water registers as well as analysis of trade data obtained from market intermediaries to calculate a dollar per ML volume weighted average price for each entitlement and allocation type.

The Fair Market Value is not in accordance with the recognition and measurement requirements of the Australian Accounting Standards in relation to the accounting treatment of water assets (intangible assets). Therefore, increases in the Fair Market Value of water assets are not reported in the statutory accounts.

For financial statement reporting purposes, in accordance with the basis of preparation described in Note 2 of the financial statements, the Company's permanent water entitlements are carried at cost less any accumulated impairment losses. Temporary water allocations related to these entitlements are recognised in the Statement of Financial Position at zero cost initially. Purchased temporary water allocations are recognised at cost when acquired. Presented below is a summary of the Company's NAV on a Fair Market Value basis compared to the basis of preparation described in Note 2 of the financial statements.

1. Non-statutory value, which adjusts statutory water entitlements held at cost of \$228.5m to fair market value of \$291m.





30 June 2025	Company Statement of Financial Position \$'000	Fair Market Value* \$'000 (non statutory)	Variance \$'000
ASSETS			
Permanent water entitlements	228,537	290,362	61,825
Contracted water acquisitions	-	259	259
Temporary water entitlements	-	142	142
Net current and deferred tax assets	(292)	(18,842)	(18,550)
Net other current assets	3,343	3,089	(254)
Net non-current liabilities	(18,003)	(18,003)	-
<b>TOTAL NET ASSETS</b>	<b>213,585</b>	<b>257,008</b>	<b>43,424</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>\$1.37</b>	<b>\$1.65</b>	<b>\$0.28</b>

30 June 2024	Company Statement of Financial Position \$'000	Fair Market Value* \$'000 (non statutory)	Variance \$'000
ASSETS			
Permanent water entitlements	303,874	354,052	50,178
Temporary water entitlements	-	37	37
Net current and deferred tax assets	627	(13,377)	(14,004)
Net other current assets	1,510	1,510	-
Net non-current liabilities	(105,500)	(105,500)	-
<b>TOTAL NET ASSETS</b>	<b>200,511</b>	<b>236,722</b>	<b>36,211</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>\$1.28</b>	<b>\$1.51</b>	<b>\$0.23</b>

\* 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 PLC". Fair Market Value is a non-IFRS measure that is not reviewed or audited by the Company's auditor.

Further detail by reported segment is disclosed in Note 5 of the Financial Statements.

DIVIDENDS

Duxton Water paid a fully franked dividend of 3.71 cents per share to shareholders on 24 April 2025. This was the Company's 16th consecutive dividend paid since November 2017. The Company has now paid a total of 49 cents per share in dividends to shareholders since inception.

Due to the Company's recent strong performance, the Company is pleased to formally declare a fully franked dividend of 3.72 cents per share, to be paid to shareholders on Friday, 31 October 2025.

The Company will continue to offer shareholders the opportunity to participate in the Company's Dividend Reinvestment Plan ("DRP").

However, due to the recent resetting of the Company's balance sheet through the repayment of \$98 million in debt during the period, the Board has resolved to remove the 5% discount available to DRP participants. The removal of the DRP discount reflects a commitment to disciplined capital management and fairness across the shareholder base, particularly while the share price remains below Net Asset Value per share.



DEBT SUMMARY

At 30 June 2025, the Company has total drawn debt of \$18 million, this is down from \$116 million at 31 December 2024. During the period, the Company repaid \$98 million of debt using proceeds from recent entitlement sales.

This significantly enhances the Company’s balance sheet flexibility and positions the Company well to pursue future strategic opportunities.

At 30 June 2025, the Company’s LVR is 5%. This remains well below the Company’s maximum LVR covenant of 40%. The Board remains focused on using debt prudently and is actively monitoring fixed interest rate markets for well-priced hedging opportunities.

A summary of the Company’s debt position at 30 June 2025 is shown below:

Debt Summary	HY2025	FY2024	Difference
Total Debt Drawn	\$18m	\$116m	(\$98m)
Total LVR	5%	31%	(26%)
Total Variable Debt	\$18m	\$116m	(\$98m)
Effective Cost of Borrowings	5.8%	5.8%	Nil








ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors' Report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors, Grant Thornton Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration. This Lead Auditor's Independence Declaration is included on page 27. Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

  
**Brendan Rinaldi**  
Independent Chairman

  
**Dennis Mutton**  
Independent Non-Executive Director

Stirling, South Australia  
29 August 2025



**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide SA 5000  
GPO Box 1270  
Adelaide SA 5001  
T +61 8 8372 6666

Auditor's Independence Declaration


To the Directors of Duxton Water Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Duxton Water Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

  
J L Humphrey  
Partner – Audit & Assurance  
Adelaide, 29 August 2025

[www.grantthornton.com.au](http://www.grantthornton.com.au)  
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.



STATEMENT OF **PROFIT OR LOSS**  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Note	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Revenue	4	8,870	5,066
Gain on entitlement sales		34,315	14,950
Cost of sales and leasing		(227)	(278)
Management fees	11	(976)	(1,110)
IMA termination fee	11	(3,260)	-
Transitional services fees	11	(491)	-
Legal and professional fees		(329)	(139)
Other expenses		(1,199)	(822)
Impairment reversal / (impairment) of water entitlements	6	1,197	(2,621)
<b>Total expenses</b>		<b>(5,285)</b>	<b>(4,970)</b>
<b>Profit before net finance expense</b>		<b>37,900</b>	<b>15,046</b>
Finance expense		(2,637)	(3,236)
<b>Net finance expense</b>		<b>(2,637)</b>	<b>(3,236)</b>
<b>Profit before tax</b>		<b>35,263</b>	<b>11,810</b>
Income tax expense		(10,737)	(3,543)
<b>Profit for the half-year attributable to shareholders of Duxton Water Limited</b>		<b>24,526</b>	<b>8,267</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive profit for the half-year to shareholders of Duxton Water Limited</b>		<b>24,526</b>	<b>8,267</b>
<b>Earnings per share attributed to shareholders of Duxton Water Limited</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		15.8	5.3
Diluted earnings per share		15.4	5.3

The condensed notes on pages 32 to 43 are an integral part of these half-year financial statements

STATEMENT OF **FINANCIAL POSITION**  
AS AT 30 JUNE 2025

	Note	30 Jun 2025 \$'000	31 Dec 2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,314	825
Trade and other receivables		416	458
Other current assets		102	156
Income tax refund receivable		44	118
<b>Total current assets</b>		<b>4,876</b>	<b>1,557</b>
<b>Non-current assets</b>			
Water entitlements	6	228,537	308,573
Deposits paid on water entitlements		25	1,950
Property, plant and equipment		6	-
Deferred tax assets		770	1,323
<b>Total non-current assets</b>		<b>229,338</b>	<b>311,846</b>
<b>Total assets</b>		<b>234,214</b>	<b>313,403</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		316	294
Contract liabilities		1,108	1,349
Provisions		65	-
Current tax liabilities		1,107	-
<b>Total current liabilities</b>		<b>2,596</b>	<b>1,643</b>
<b>Non-current liabilities</b>			
Borrowings	9	18,000	116,000
Provisions		34	-
<b>Total non-current liabilities</b>		<b>18,034</b>	<b>116,000</b>
<b>Total liabilities</b>		<b>20,630</b>	<b>117,643</b>
<b>Net assets</b>		<b>213,584</b>	<b>195,760</b>
<b>EQUITY</b>			
Issued capital	7	189,181	190,360
Reserves		280	-
Retained Earnings		24,123	5,400
<b>Total equity</b>		<b>213,584</b>	<b>195,760</b>

The condensed notes on pages 32 to 43 are an integral part of these half-year financial statements



STATEMENT OF CHANGES IN **EQUITY**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Note	Issued capital \$'000	Retained earnings \$'000	Share-based payment reserve \$'000	Total equity \$'000
<b>Balance at 1 January 2024</b>		<b>185,252</b>	<b>7,337</b>	<b>-</b>	<b>192,589</b>
Profit (loss) for the period		-	8,267	-	8,267
Other comprehensive income for the period, net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>8,267</b>	<b>-</b>	<b>8,267</b>
<b>Transactions with owners of the Company:</b>					
Shares issued		5,268	-	-	5,268
Share issue costs – net of taxes		(113)	-	-	(113)
Payment of dividends		-	(5,499)	-	(5,499)
<b>Balance at 30 June 2024</b>		<b>190,407</b>	<b>10,105</b>	<b>-</b>	<b>200,512</b>
<b>Balance at 1 January 2025</b>		<b>190,360</b>	<b>5,400</b>	<b>-</b>	<b>195,760</b>
Profit (loss) for the period		-	24,526	-	24,526
Other comprehensive income for the period, net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>24,526</b>	<b>-</b>	<b>24,526</b>
<b>Transactions through equity for services received:</b>					
Share-based payment – Performance rights – Transition agreement		-	-	261	261
Share-based payment – Performance rights – Employees		-	-	19	19
<b>Transactions with owners of the Company:</b>					
Shares issued – dividend reinvestment plan		1,037	-	-	1,037
Share buyback		(2,208)	-	-	(2,208)
Share issue costs – net of taxes		(8)	-	-	(8)
Payment of dividends		-	(5,803)	-	(5,803)
<b>Balance at 30 June 2025</b>		<b>189,181</b>	<b>24,123</b>	<b>280</b>	<b>213,584</b>

The condensed notes on pages 32 to 43 are an integral part of these half-year financial statements

STATEMENT OF **CASH FLOWS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Note	30 Jun 2025 \$'000	30 Jun 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		9,076	4,668
Payments to suppliers		(6,382)	(2,513)
Interest and other costs of finance paid		(2,766)	(3,278)
Income tax paid		(8,921)	(3,978)
<b>Net cash used in operating activities</b>		<b>(8,993)</b>	<b>(5,101)</b>
<b>Cash flows from investing activities</b>			
Purchase of permanent water entitlements		(17,816)	(22,158)
Proceeds from sale of permanent water entitlements		135,202	40,619
<b>Net cash provided by investing activities</b>		<b>117,386</b>	<b>18,461</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	4,500
Proceeds from exercise of share options		-	4
Payment for share buyback		(2,139)	(56)
Payment for share issue costs		-	(162)
Proceeds from borrowings		10,000	20,500
Repayment of borrowings		(108,000)	(31,500)
Dividends paid		(4,765)	(4,677)
<b>Net cash used in financing activities</b>		<b>(104,904)</b>	<b>(11,391)</b>
Net (decrease)/increase in cash and cash equivalents		3,489	1,969
Cash and cash equivalents at the beginning of the period		825	1,832
<b>Cash and cash equivalents at end of period</b>		<b>4,314</b>	<b>3,801</b>

The condensed notes on pages 32 to 43 are an integral part of these half-year financial statements



**1. CORPORATE INFORMATION**

Duxton Water Limited (the “Company”) is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under the symbol D20. Its registered office and principal place of business is located at 7 Pomona Road Stirling SA 5152.

The Company is a for-profit entity.

The half-year financial statements were authorised for issue by the Directors on 29 August 2025.

**2. BASIS OF PREPARATION**

**BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

At 30 June 2025 the Company has statutory net assets of \$213.58 million (31 December 2024: \$195.76 million). At reporting date, the Company has a net current asset surplus of \$2.28 million, and it has the ability to sell non-current permanent water entitlements if it is required due to working capital constraints. As such, the directors have determined it is appropriate to prepare the financial statements by applying the going concern basis of accounting. The financial statements are prepared utilising historical costs.

**STATEMENT OF COMPLIANCE**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard AASB 134 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Australian Accounting Standards Board (AASBs) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:



**a) Permanent water entitlements**

Permanent water entitlements are treated as intangible assets on the Statement of Financial Position at cost (in accordance with AASB 138 Intangible Assets). It has been determined that there is no foreseeable future limit to the period over which the asset is expected to generate net cash inflows for the entity, therefore the entitlements will not be subject to amortisation, as the permanent water entitlements have an indefinite life. Permanent water entitlements will be tested annually for impairment, unless there are indications present that the asset is impaired or if there are indications present that a previously impaired asset is no longer impaired.

**b) Temporary water allocations**

Temporary water allocations purchased are treated as items of inventory available for resale in accordance with AASB 102 Inventories. Temporary water allocations are measured at the lower of its individual cost and net realisable value.

**3. MATERIAL ACCOUNTING POLICIES**

**CHANGES IN MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2024, with the exception of the below:

**Share-based payments**

The Company may provide benefits to employees or suppliers in the form of share-based payment transactions, whereby employees or suppliers render services in exchange for shares or rights over shares (‘equity-settled transactions’). The cost of these equity-settled transactions with employees and suppliers is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (‘market conditions’). The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- i) the extent to which the vesting period has expired; and
- ii) the number of awards that, in the opinion of the directors, will ultimately vest. This opinion is formed based on the best available information at reporting date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.



CONDENSED NOTES TO THE **FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding Options and Rights is reflected as additional share dilution in the computation of earnings per share.

4. REVENUE AND OTHER INCOME

	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Lease income from water entitlements	2,878	4,186
Sale of temporary water allocations	5,984	855
Other income	8	25
	<b>8,870</b>	<b>5,066</b>

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker to make strategic decisions. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The amounts provided to the Board of Directors with respect to profit or loss, liabilities and assets other than water entitlement assets is measured in a manner consistent with that of the financial statements, while permanent water entitlement assets and temporary water allocations are allocated to a segment based on the geographical region of the water entitlement assets and measured on a “fair market value” basis.

“Fair market value” for purposes of valuing the Company’s water entitlement and allocation portfolio that is reported to the Board of Directors, is based on the independent monthly valuation that is undertaken by an independent expert.





## 5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results For the half year ended 30 June 2025	Permanent Water \$'000	Temporary Water \$'000	Unallocated \$'000	Total \$'000
<b>Profit &amp; Loss</b>				
Reportable segment revenue	2,878	5,984	8	8,870
Gain on entitlement sales	34,315	-	-	34,315
<b>Total segment Revenue and other income</b>	<b>37,193</b>	<b>5,984</b>	<b>8</b>	<b>43,185</b>
Impairment reversal on water entitlements	1,197	-	-	1,197
Expenses	(81)	(146)	(6,255)	(6,482)
Finance costs	-	-	(2,637)	(2,637)
Tax benefit (expense)	-	-	(10,737)	(10,737)
<b>Net Profit/(loss) after tax</b>	<b>38,309</b>	<b>5,838</b>	<b>(19,621)</b>	<b>24,526</b>

Statement of financial position As at 30 June 2025	Murray \$'000	Murrumbidgee \$'000	Goulburn \$'000	Other <sup>1</sup> \$'000	Unallocated \$'000	Total \$'000
Permanent water entitlements at cost	181,699	30,718	3,989	12,270	-	228,676
- Less accumulated impairment	-	-	(139)	-	-	(139)
<b>Permanent water entitlements</b>	<b>181,699</b>	<b>30,718</b>	<b>3,850</b>	<b>12,270</b>	<b>-</b>	<b>228,537</b>
Temporary water allocations at cost	-	-	-	-	-	-
<b>Temporary water allocations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total segment assets as disclosed in the financial statements	181,724	30,718	3,850	12,270	5,652	234,214
<b>Total segment liabilities as disclosed in the financial statements</b>	<b>(775)</b>	<b>(8)</b>	<b>(72)</b>	<b>(253)</b>	<b>(19,522)</b>	<b>(20,630)</b>

Segment revenue and results For the half year ended 30 June 2024	Permanent Water \$'000	Temporary Water \$'000	Unallocated \$'000	Total \$'000
<b>Profit &amp; Loss</b>				
Reportable segment revenue	4,186	855	25	5,066
Gain on entitlement sales	14,950	-	-	14,950
<b>Total segment Revenue and other income</b>	<b>19,136</b>	<b>855</b>	<b>25</b>	<b>20,016</b>
Impairment on water entitlements	(2,621)	-	-	(2,621)
Expenses	(220)	(212)	(1,917)	(2,349)
Finance costs	-	-	(3,236)	(3,236)
Tax benefit (expense)	-	-	(3,543)	(3,543)
<b>Net Profit/(loss) after tax</b>	<b>16,295</b>	<b>643</b>	<b>(8,671)</b>	<b>8,267</b>

Statement of financial position As at 31 December 2024	Murray \$'000	Murrumbidgee \$'000	Goulburn \$'000	Other <sup>1</sup> \$'000	Unallocated \$'000	Total \$'000
Permanent water entitlements at cost	210,887	30,720	56,032	12,271	-	309,910
- Less accumulated impairment	(55)	-	1,282	-	-	(1,337)
<b>Permanent water entitlements<sup>2</sup></b>	<b>210,832</b>	<b>30,720</b>	<b>54,750</b>	<b>12,271</b>	<b>-</b>	<b>308,573</b>
Temporary water allocations at cost	1	4	-	-	-	5
<b>Temporary water allocations<sup>3</sup></b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
Total segment assets as disclosed in the financial statements	212,784	30,724	54,750	12,271	2,874	313,403
<b>Total segment liabilities as disclosed in the financial statements</b>	<b>(1,122)</b>	<b>(88)</b>	<b>(35)</b>	<b>(104)</b>	<b>(116,294)</b>	<b>(117,643)</b>

1. "Other" comprises of the Lachlan and Parilla regions which individually account for less than 10% of the Company's revenue, profit before taxation, total liabilities and total assets.
2. In accordance with the Australian Accounting Standards requirements on measuring permanent water entitlements subsequent to initial recognition, fair market value increments are not included in the amounts recognised in the financial statements.
3. In accordance with the requirements of the Australian Accounting Standards, temporary water allocations obtained through owned permanent water entitlements are not recognised as assets in the Statement of Financial Position. Only those allocations separately acquired are recognised.





CONDENSED NOTES TO THE **FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

**6. WATER ENTITLEMENTS AND ALLOCATIONS**

**a) Permanent water entitlements**

Permanent water entitlements - at cost less accumulated impairment	\$'000
Balance at 1 January 2024	311,101
Additions	13,735
Disposals	(15,841)
Impairment loss recognised in profit or loss	(422)
Balance at 31 December 2024	308,573
Balance at 1 January 2025	308,573
Additions	19,729
Disposals	(100,962)
Impairment reversal recognised in profit or loss	1,197
Balance at 30 June 2025	228,537

**7. ISSUED CAPITAL**

	No. Shares	\$'000
Opening balance at 1 January 2024	152,720,578	185,252
Shares issued (dividend reinvestment plan)	1,260,565	1,710
Shares issued (capital raising)	3,158,008	4,504
Share buy-back	(626,000)	(991)
Share issue costs - net of taxes	-	(115)
<b>Closing balance at 31 December 2024</b>	<b>156,513,151</b>	<b>190,360</b>
Opening balance at 1 January 2025	156,513,151	190,360
Shares issued (dividend reinvestment plan)	775,906	1,037
Share buy-back	(1,580,000)	(2,208)
Share issue costs - net of taxes	-	(8)
<b>Closing balance at 30 June 2025</b>	<b>155,709,057</b>	<b>189,181</b>

**SHARE OPTIONS**

At 30 June 2025 the Company has 38,165,498 bonus share options on issue, which were issued on a 1:4 basis to all shareholders on 9 November 2023, and are exercisable at \$1.92 per share, with an expiry date of 10 May 2026 (31 December 2024: 38,165,498 bonus options on issue).



CONDENSED NOTES TO THE **FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

**PERFORMANCE RIGHTS**

The following performance rights were issued during the period:

Performance Right	Grant Date	Balance at 1 January 2025	Granted during the period	Exercised / (Lapsed)	Balance at 30 June 2025	Total Fair Value at Grant Date \$	Fair Value per right \$
DCA	1/6/2025	-	3,000,000	-	3,000,000	4,695,000	1.565
Employees	1/6/2025	-	200,000	-	200,000	313,000	1.565
<b>Total</b>		<b>-</b>	<b>3,200,000</b>	<b>-</b>	<b>3,200,000</b>	<b>5,000,800</b>	<b>1.565</b>

1. Contemporaneously with executing the Deed of Termination and Release, the Company and Duxton Capital (Australia) executed the Transitional Services Agreement pursuant to which 3,000,000 Performance Rights were granted. The performance rights will vest and become convertible into Shares upon completion of the management internalisation process which estimated to be completed within 18 months from shareholder approval on 30 May 2025.
2. Separately, in connection with employment services, certain employees of Duxton Water Limited were granted Performance Rights. The performance rights vest over 24 months from grant date and are subject to continued employment conditions.
3. The fair value of the performance rights has been determined using an appropriate valuation technique with reference to the underlying market value of the shares as at Grant Date.



CONDENSED NOTES TO THE **FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

**8. DIVIDENDS PAID**

Total dividends paid for the half-year ended 30 June 2025 were \$5.8 million (June 2024: \$5.5 million). These dividends consisted of cash distributions of \$4.8 million (June 2024: \$4.7 million) and shares issued under the Dividend Reinvestment Plan to the value of \$1.0 million (June 2024: \$0.8 million).

**9. BORROWINGS**

	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Bank Loans - secured	18,000	116,000
	<b>18,000</b>	<b>116,000</b>

The Company's debt is secured by mortgages on approximately 46 GL of permanent water entitlements at 30 June 2025.

**SUMMARY OF BORROWING ARRANGEMENTS**

At 30 June 2025, the Company has the following outstanding debt facility with NAB:

- Facility A - Limit of \$40 million due for expiry 31 March 2027 (\$18.0 million drawn).

**TERMS OF BORROWING ARRANGEMENTS:**

- (i) The variable interest payable on the debt facility (\$40m) is calculated as BBSY + Margin Fee of 0.65% p.a + Facility Fee of 0.65% p.a.
- (ii) The facility is secured by mortgages on some of the Company's permanent water rights.
- (iii) The Company must maintain an Interest Coverage Ratio greater than 2.0.
- (iv) The Company must ensure that on the last day of each month, the Net Debt to Independent Fair Market Value Ratio is not greater than 40%.
- (v) The Company must ensure that on the last day of each month, the Gross Debt to Independent Fair Market Secured Water Assets Value Ratio is not greater than 45%.



10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 Jun 2025 \$'000	31 Dec 2024 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	4,314	825
Trade and other receivables	416	458
<b>Total financial assets</b>	<b>4,730</b>	<b>1,283</b>
<b>Financial Liabilities</b>		
Trade and other payables	316	294
Borrowings	18,000	116,000
<b>Total financial liabilities</b>	<b>18,316</b>	<b>116,294</b>

The fair value of cash, trade and other receivables and trade and other payables are not disclosed, as their carrying amount is a reasonable approximation of fair value.

11. RELATED PARTY TRANSACTIONS

As disclosed in the most recent annual report, the Company operated under its Investment Management Agreement (“IMA”) with Duxton Capital (Australia) from 1 January 2025 to 31 May 2025.

Mr Edouard Peter, a Director of the Company, controls the Investment Manager and is a shareholder and Director of the Investment Manager, Duxton Capital Australia Pty Ltd.

Company Director, Mr Stephen Duerden, is also a shareholder and Director of the Investment Manager.

As Shareholders of the Investment Manager, Mr Peter and Mr Duerden may receive a financial benefit from the Company as a result of payment of fees by the Company to the Investment Manager.

Fees payable under the IMA are included in the table below.

At the Company’s 30 May 2025 Annual General Meeting, shareholders approved a termination of the IMA and ratified the internalisation plan which resulted in the following amounts being payable to Duxton Capital (Australia):

- A termination fee of \$3,259,766
- \$230,000 a month (for a period of 18 months) transitional services fee, commencing 1 June 2025
- 3 million performance rights with a total fair value of \$4,695,000 vesting over 18 months (refer to note 7).

The Company records revenue from leasing water entitlements to Duxton Farms Ltd (“DBF”). This Company also had the same investment manager, Duxton Capital (Australia), and has some common directors. The lease agreement with DBF is on commercial terms.

The following transactions occurred with related parties during the half-year ended 30 June 2025 (and the half-year ended 30 June 2024):

	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Management fee – Duxton Capital (Australia) Pty Ltd	976	1,110
Administration fee – Duxton Capital (Australia) Pty Ltd	122	118
IMA termination fee – Duxton Capital (Australia) Pty Ltd	3,260	-
Transitional services fee (cash) – Duxton Capital (Australia) Pty Ltd	230	-
Transitional services fee (rights) – Duxton Capital (Australia) Pty Ltd	261	-
Lease revenue – Duxton Farms Ltd	299	313
Lease revenue – Duxton Viticulture Pty Ltd	-	198

Transactions between related parties are on commercial terms and conditions.

The following balances are outstanding between the Company and its related parties:

	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Amount due to (from) Duxton Capital (Australia) Pty Ltd	9	224
Amount due to (from) Duxton Farms Ltd	(48)	(153)
Amount due to (from) Duxton Viticulture Pty Ltd	-	(43)

12. SUBSEQUENT EVENTS

There have been no events subsequent to reporting date which would have a material impact on the Company’s 30 June 2025 financial statements.





DIRECTORS' **DECLARATION**  
FOR THE HALF-YEAR ENDED 30 JUNE 2025

In the opinion of the Directors of Duxton Water Limited ("the Company"):

- 1. the condensed financial statements and notes set out on pages 32 to 43, are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance of the 6 months period ended on that date; and
  - b. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

  
**Brendan Rinaldi**  
Independent Chairman

  
**Dennis Mutton**  
Independent Non-Executive Director

Stirling, South Australia  
29 August 2025



**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
Level 3  
170 Frome Street  
Adelaide SA 5000  
GPO Box 1270  
Adelaide SA 5001  
T +61 8 8372 6666

## Independent Auditor's Review Report

### To the Members of Duxton Water Limited

#### Report on the half year financial report

##### Conclusion

We have reviewed the accompanying half year financial report of Duxton Water Limited (the Company) and which comprises the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Duxton Water Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**www.granthornton.com.au**  
**ACN-130 913 594**

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

#### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

  
J L Humphrey  
Partner – Audit & Assurance  
Adelaide, 29 August 2025



# CORPORATE DIRECTORY

## Independent Chairman

Brendan Rinaldi

## Non-Executive Director

Ed Peter  
Stephen Duerden

## Independent Non-Executive Directors

Dirk Wiedmann  
Dennis Mutton  
Vivienne Brand

## Company Secretary

Katelyn Adams

## Principal and Registered Office

7 Pomona Road  
Stirling SA 5152  
Telephone: (08) 8130 9500  
Facsimile: (08) 8130 9599

## Legal Advisors

Thomson Geer  
7/19 Gouger Street  
Adelaide SA 5000

## Share Registry

Computershare

## Auditors

Grant Thornton  
Level 3, 170 Frome Street  
Adelaide SA 5000

## Computershare Investor Services

Level 5, 115 Grenfell Street  
Adelaide SA 5000

## Stock Exchange Listing

Australian Securities Exchange  
Share Code: D20  
Option Code: D200A





