

# Quarterly Update



JUNE 2025

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#### COMPANY NAME

Duxton Water Limited (ASX: D20)

#### INVESTMENT UNIVERSE

Australian Water Entitlements

#### NET ASSET VALUE (POST-TAX)

\$1.65 per share

#### WATER PORTFOLIO VALUE

\$291 million

#### MARKET CAPITALISATION

\$236 million

**SHARES ON ISSUE:** 155,709,057

**OPTIONS ON ISSUE:** 38,165,498



The primary investment objective of Duxton Water (“the Company”) is to build a portfolio of permanent water entitlements and utilise this portfolio to provide flexible water supply solutions to our Australian farming partners. The Company generates a return by offering irrigators a range of supply solutions including long-term entitlement leases, forward allocation contracts, and spot allocation supply.



## Operational Update

Over the last 3-months the Company has achieved a number of key strategic, and operational milestones.

On 30 May 2025, the Company held its 2024 Annual General Meeting, where shareholders approved the internalisation of management. The Company continues to make progress towards completion, while prioritising operations and portfolio management.

Following settlement of entitlement sales during the quarter, the Company repaid \$108.0 million of debt. At 30 June 2025, the Company has total debt of \$18.0 million, with gearing of 5%.

On 24 April 2025, Duxton Water paid its 16th consecutive and increasing dividend of 3.71 cents per share. The Company was pleased to continue offering its Dividend Reinvestment Plan.

During the quarter, the Company secured several new leases with new and existing counterparties to start 1 July 2025. Lease yields have risen considerably over the past few months, with the Company seeking to achieve lease yields of approximately 5% p.a.

Further to this, the Company acquired two small entitlement parcels at below fair market value during the quarter.

## Entitlement Market

The Ricardo Entitlement Index increased marginally by 0.1% during the quarter. This was underpinned by value increases on lower Murray entitlements, with small declines being observed across other entitlement zones.

Transactional activity has improved in comparison to the previous quarter. The Company believes this increase in activity is likely linked to recent drier conditions, and improving yields on high security assets, prompting participants to re-enter the market.

## COMPANY PERFORMANCE (30 JUNE 2025)

1 Month	3 months	6 Months	12 Months	Inception
-0.51%	-0.09%	10.95%	16.61%	118.44%

## COMPANY SNAPSHOT

	March 2025	June 2025
Water Entitlements	58.9 GL	59.0 GL
Leased % of Portfolio	52%	52%
Weighted Average Lease Expiry (WALE)	2.7 years	2.4 years
WALE (incl. renewal options)	4.3 years	4.0 years
Shares on Issue	156.4m	155.7m
Total Water Assets	\$290m	\$291m

## Allocation Market

Allocation prices remained relatively consistent throughout the June quarter. Carryover demand, alongside extremely dry conditions and high temperatures in South Australia and Victoria, contributed to sustained demand in the lower Murray.

In the 2024/25 water year, the VIC Murray catchment recorded 1,165 GL of seasonal water use, the highest in 12 years. The Goulburn also saw its highest water usage in the past 7 years.

At 30 June 2025, spot water prices ranged between \$270-\$290/ML in the lower Murray, \$165-\$180/ML in the upper Murray, \$240-\$260/ML in the Murrumbidgee, and \$180-\$200/ML in the Goulburn.

## Lease and Forward Market

Duxton Water contracted several new leases to commence on 1 July 2025. This has enabled the Company to maintain its lease percentage at 52% from 1 July 2025. The Company is actively pursuing new lease opportunities to increase its lease percentage for the year ahead.

The Company has strategically forward sold a portion of its unleased allocation holdings for the 2025/26 water year. These forward contracts help manage allocation market pricing uncertainty, while the remainder of the unleased portfolio remains exposed to prevailing spot market prices that can fluctuate significantly throughout the year.

<sup>^</sup>These figures are based on NAV movements and include franked dividends for the period.

## Quarterly Update

JUNE 2025

### Investment Update

At 30 June 2025, Duxton Water's post-tax NAV was \$1.65 per share, decreasing by 6 cents during the quarter.

The Company recorded a pre-tax NAV (excluding tax provisions) of \$1.84 per share, decreasing by 3 cents during the quarter.

The decline in NAV was primarily driven by the payment of a fully franked dividend of 3.71 cents per share, paid in April 2025. In addition, a \$3.6 million (inc. GST) early termination fee was paid to Duxton Capital during the quarter, as part of the internalisation.

March 2025 NAV (post-tax)	June 2025 NAV (post-tax)
\$1.71 per Share	\$1.65 per Share

### Debt Facility

During the quarter, \$135.2 million of water entitlement sales were settled. These sales were done at a premium to fair value. Sales proceeds of \$108.0 million were used to reduce debt, leaving a drawn debt balance of \$18.0 million at 30 June 2025.

The Company has a Net Debt\* to Water Ratio ("LVR") of 5% at 30 June 2025, down from 28% at 31 March 2025.

The Company also lowered its maximum debt facility limit from \$130.0 million to \$40.0 million during the quarter, to reduce facility fees payable.

### Dividends

On 24 April 2025, the Company was pleased to pay its 16<sup>th</sup> consecutive dividend of 3.71 cents per share to shareholders. Since November 2017, the Company has paid 49 cents per share of dividends to shareholders.

FY2025 Dividends	Cents Per Share	Franking
Final 2024 (Apr-25)	3.71 cps	Fully Franked (Paid)

\*Net Debt = Debt Drawn / (Total Water Assets + outstanding water receivables - outstanding water payables)



### On Market Share Buyback

Duxton Water continues to operate its on-market share buyback. This allows the Company to buy back shares from the market when the Company believes the share price does not accurately reflect the underlying value of the Company's assets. During the quarter, the Company bought back 1.46 million shares at a VWAP of \$1.50 per share.

### Cashflows

Q4 is typically the weakest quarter for operational cash inflows due to this period coinciding to the end of the water year. This year was no different, with Receipts from Customers totalling \$2.3 million for the quarter. The Company reported net operating cash outflows of \$10.2 million for the quarter. This result was influenced by several abnormal items. These included higher income taxes paid of \$6.0 million, linked to capital gains from recent entitlement sales at a premium to fair value, and \$3.6 million (inc. GST) paid to Duxton Capital as an early termination fee as part of the internalisation.

Net cashflows from investing activities were \$117.4 million, reflecting \$135.2 million in proceeds from entitlement sales, and \$17.8 million that was used to settle entitlement purchases that were contracted in late 2024 at below fair value.

### Payments to Associates/Related Parties

During the June 2025 quarter, the following cash payments to Associates and Related Parties occurred (inc. GST):

	June 2025 Quarter	YTD
<b>Duxton Capital - Administration Fees</b> <i>(Admin. &amp; Accounting Services)</i>	\$98k	\$192k
<b>Duxton Capital - Management Fees</b> <i>(As per the Management Agreement)</i>	\$674k	\$1.09m
<b>Duxton Capital - Performance Fees</b> <i>(As per the Management Agreement)</i>	-	-
<b>Duxton Capital - Reimbursements</b> <i>(On-charged Reimbursements)</i>	\$53k	\$85k
<b>Duxton Capital - Early Termination Fee</b> <i>(Termination of IMA - Internalisation)</i>	\$3.59m	\$3.59m
<b>Duxton Capital - Transitional Services Fees</b> <i>(As per the Transitional Services Agreement)</i>	\$253k	\$253k

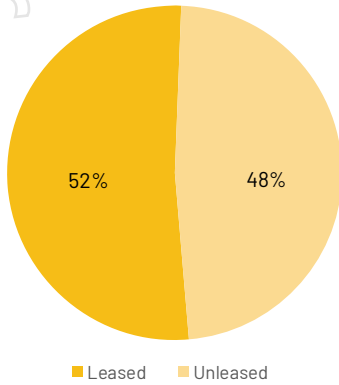


### VALUATION METHODOLOGY

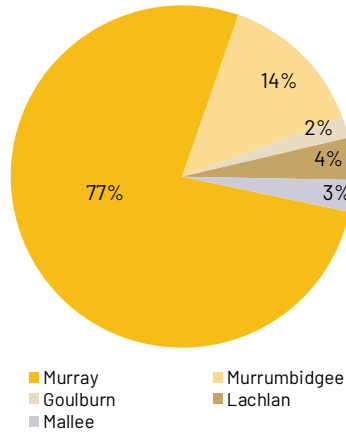
The Company uses an independent Fair Market Unit Value for entitlement and allocation provided by Ricardo to undertake the NAV assessment. Ricardo acquired Aither Pty Ltd in 2024 and has subsequently changed name from Aither to Ricardo. Ricardo's definition of fair market value is consistent with the principles of the Australian Accounting Standards Board (AASB) 13 Fair Value Measurement. It is a non-IFRS measure that is not reviewed or audited by the Company's auditor. Further information can be found at [www.duxtonwater.com.au](http://www.duxtonwater.com.au).



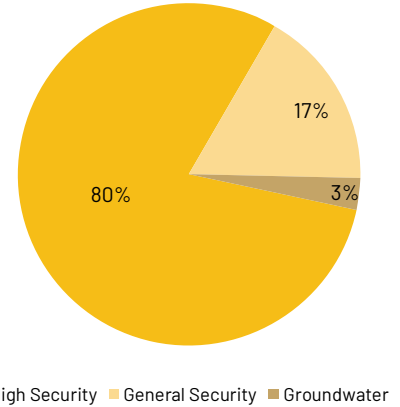
**WATER PORTFOLIO DIVERSIFICATION**



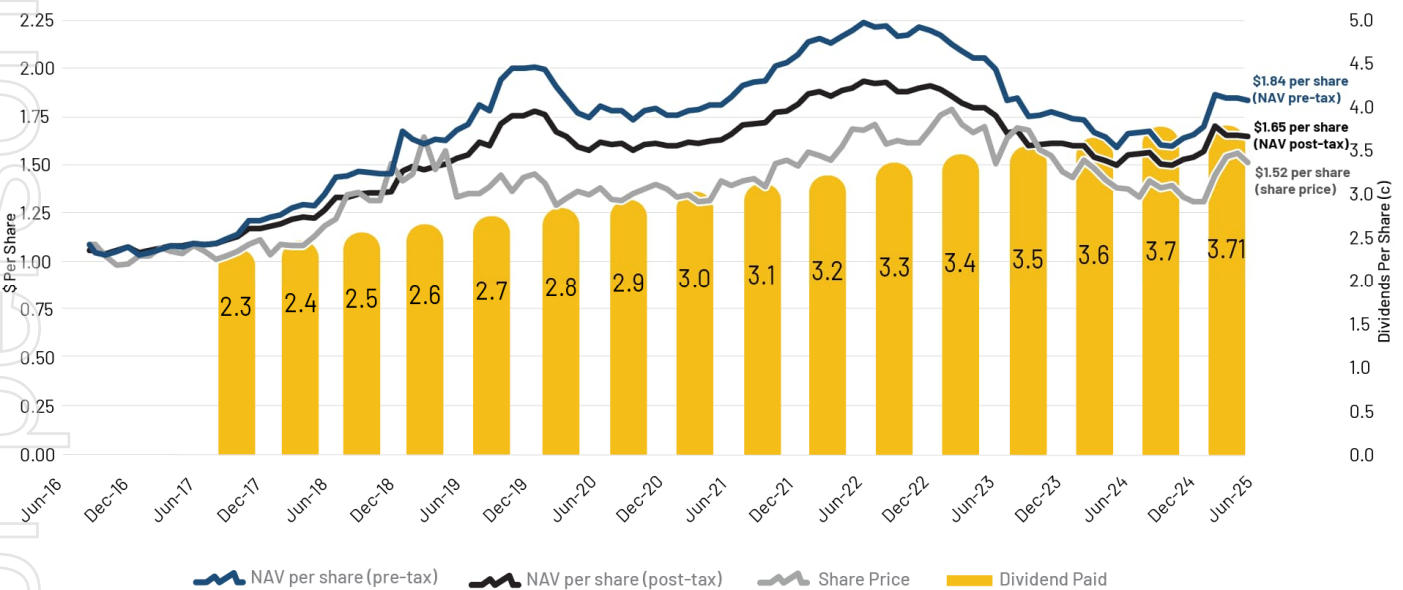
**ENTITLEMENT VALUE BY REGION**



**WATER SECURITY BREAKDOWN**



**HISTORICAL PERFORMANCE - SINCE INCEPTION**



This announcement has been authorised for release by the Chairman of Duxton Water Limited.

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Duxton Water Limited

**ABN**

53 611 976 517

**Quarter ended ("current quarter")**

30 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,273	9,076
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(162)	(326)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(748)	(1,128)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1,094)	(2,766)
1.6 Income taxes paid	(5,954)	(8,921)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Management Fees	(675)	(1,089)
- IMA Termination Fee	(3,586)	(3,586)
- Transitional Services Fee	(253)	(253)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(10,199)</b>	<b>(8,993)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire or for:

(a) entities

-

-

(b) businesses

-

-

(c) property, plant and equipment

-

-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) investments	(17,816)	(17,816)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	135,202	135,202
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>117,386</b>	<b>117,386</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(2,139)	(2,139)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	10,000	10,000
3.6	Repayment of borrowings	(108,000)	(108,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(4,765)	(4,765)
3.9	Other (Bank Overdraft)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(104,904)</b>	<b>(104,904)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,031	825
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,199)	(8,993)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	117,386	117,386
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(104,904)	(104,904)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,314</b>	<b>4,314</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,314	2,031
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,314</b>	<b>2,031</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	4,663
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	40,000	18,000
7.2	Credit standby arrangements		
7.3	Other		
7.4	<b>Total financing facilities</b>	<b>40,000</b>	<b>18,000</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>22,000</b>
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>On 4<sup>th</sup> June 2025, following the settlement of a large sale of permanent water entitlements, the Company reduced its facility headroom from \$130m to \$40m to reduce facility fees payable.</p> <p><b>Debt Facility A:</b>  <b>Lender:</b> National Australia Bank  <b>Max Debt:</b> \$40,000,000  <b>Variable Interest Rate:</b> BBSY plus 0.65% p.a. + Facility Fee of 0.65%  <b>Maturity Date:</b> 31 March 2027  <b>Secured:</b> Yes</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(10,199)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,314
8.3	Unused finance facilities available at quarter end (item 7.5)	22,000
8.4	Total available funding (item 8.2 + item 8.3)	26,314
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.6</b>
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: <b>N/A</b>	
	8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: <b>N/A</b>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 July 2025

Date: .....

The Chairman of Duxton Water Limited

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.