

Duxton Water 2024 AGM report

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| ASX code | D2O |
| Meeting date | Wednesday, 29 May 2024 |
| Type of meeting | Physical |
| Monitor | Greg OConnell (proxy voting, declared ASA present, nil questions) |
| Pre AGM-meeting | No (our decision). Note: ASA was party to pre-AGM correspondence between Duxton and ASA shareholder regards the detail of calculating management fee and performance bonus and expected some clarification at this AGM. |

Meeting Statistics

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| Number of holdings represented by ASA | 10 (5 previous year) |
| Number of shares represented by ASA | 245,000 (100,000 previous year) |
| Value of shares represented by ASA | \$343K (\$160k previous year) |
| Total number attending meeting | 50 attendees |
| Market capitalisation | \$200 million |
| ASA open proxies voted | On a poll ASA voted FOR all items, including 10% placement capacity |

Brendan Rinaldi (Independent NED) chaired the AGM meeting.

Ed Peter (Chairman) and Dirk Wiedmann (Independent NED) attended by video connection.

Introduction:

- Dividend intentions fully met.
- Dividend forecast maintained for 2024 (effectively a shortening of previous guidance).
- Free bonus options issued to shareholders.
- Funds raised for TWE water rights purchase during the year and partly sold back to TWE, proceeds used to reduce debt in the short term.
- Weighted Average Lease expiry extended from 1.4 years to 3.1 years
- Murray Basin flooding significant, BOM forecast of El Nino “wrong” with no “dry” and extensive rain. Dam storage is now high, water prices low (valuation and yields)
- Water outlook uncertain, Duxton portfolio prepared for “all events” and Duxton confident of their strategy.
- Government water buyback is now funded in the budget with an ambitious buy target commencing 2024 (aiming at 6% to 7% of free float) with water prices set by sellers offering into a “Value for Money” purchase program.
- Room was “full” with additional attendees standing in the rear.

Formal Business

The only comments in the business section of the meeting made by ASA, declaring participation and intent to support all motions.

Q&A following Formal Business:

Mood was calm and enquiring – seemed to be general recognition that weather made its own decisions.

More discussion of available water – Dartmouth and Hume dams at >80% and >90% levels compared to 10% in previous year. Current water levels are abnormally high (look back to 1962) and with low water prices indicate likelihood of high levels of annual crop planting (an optional driven by circumstances).

Recovery in water demand and pricing is coming – not clear when. Duxton have promoting hedging to customers but not with good take-up.

Duxton reiterated that business model is working, Duxton portfolio is prepared and diversified – reduced water availability will drive higher returns.

Ed Peter made his only comment to emphasise the was not a matter of IF, but WHEN prices would increase.

The only water user/irrigator in the room was Brendon Rinaldi (Director).

Only 7% of Duxton Water's business is now related party with other Duxton companies.

Post-meeting discussion with Duxton regarding disclosure of information to make more transparent "*the process for calculating the management fee and performance bonus; particularly the value of the 'high water mark' which is a key element in bonus calculation*" highlighted the inclusion of a footnote at slide 9 (NOT particularly highlighted during the AGM meeting).

Post-meeting I see this footnote says:

The Company did not pay a Performance Fee to the Investment manager in FY2023 as the high-water-mark was not achieved. Company's high-water-mark in relation to the Performance Fee calculation is approximately \$298 million. The high-water-mark was set at 31 December 2022. Further information in relation to the Company's Performance Fee calculation methodology can be found in the Company's Remuneration Report.

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