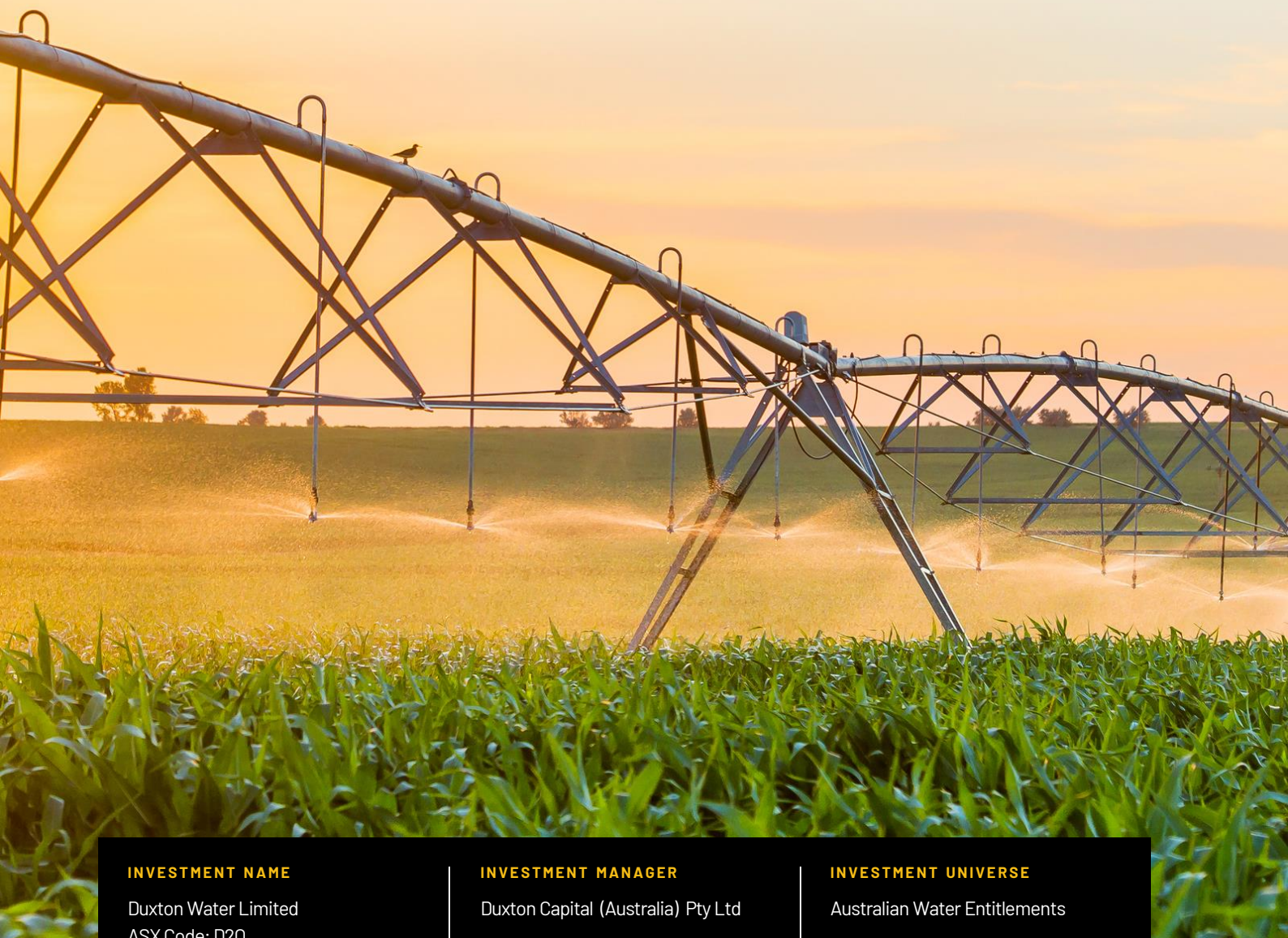


Monthly Update



FEBRUARY 2024



INVESTMENT NAME

Duxton Water Limited
ASX Code: D20

INVESTMENT MANAGER

Duxton Capital (Australia) Pty Ltd

INVESTMENT UNIVERSE

Australian Water Entitlements

NET ASSET VALUE (POST-TAX)

\$1.61 per share

WATER PORTFOLIO VALUE

\$389 million

SHARES ON ISSUE: 152,722,498

OPTIONS ON ISSUE: 38,165,906



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.



Portfolio Managers' Update

On 29 February 2024, Duxton Water released its annual financial report for 2023. The Company was pleased to have met its dividend targets during the year, paying total dividends of 6.9 cents per share. In addition, the Company increased the size of its portfolio by 8% (by volume) during the year, and its value exceeded \$400 million for the first time since inception.

D20 declared a final 2023 dividend of 3.6 cents per share, fully franked. The record date for this dividend is 12 April 2024, and the payment date is scheduled for 26 April 2024. The dividend reinvestment plan ("DRP") and subsequent discount of 5% will remain in place.

With regards to the entitlement market, the combined value of entitlements in the southern Murray Darling Basin ("sMDB") has risen by 1% since the end of January. This growth has primarily occurred in general security entitlements. By contrast, several high security entitlements have decreased over the same period, which is likely due to ongoing economic challenges faced by irrigators.

Water market participants are awaiting further information regarding the next round of buybacks for the recovery of 450 GL. This anticipation is believed to be slowing current transactional volume. As per the Government's draft framework¹ released in January this year, buybacks for sMDB entitlements will begin in 2024. The public consultation period for the framework closed on 4 March 2024.

The Government has shared additional information about the water purchase program that was conducted in 2023. The Minister for the Environment and Water has confirmed the purchase of 26.25 GL of water at an estimated cost of \$205 million. Both high security and general security licences were purchased by the Government in the 2023 buyback.

In February, the allocation market experienced a further decline in spot prices due to reduced demand and excess water supply. Rainfall events and the end of the peak irrigation period have continued to reduce demand. Meanwhile, an increase in the allocation of general security entitlements has contributed to further supply in the market.

The Murray Darling Basin ("MDB") experienced a wetter than usual summer season. However, it was accompanied by record high temperatures. The weather forecast for April to June indicates below average rainfall across most parts of Australia, along with warmer than average temperatures. Both the Indian Ocean Dipole ("IOD") and El Niño-Southern Oscillation ("ENSO") are expected to be neutral during Autumn.

Further to that, the Northern Victoria Resource Manager has released its first seasonal determination outlook for 2024-2025. It is expected that opening allocations for high security entitlements in VIC Murray will open at 85% under average river inflows and will reach 100% by October 2024.

As the peak irrigation season draws to a close, irrigators are now shifting their focus towards planning for 2024/2025. We are collaborating closely with our business partners and customers to assist them in securing their water needs.



Lachlan Campbell
Portfolio Manager



Lachlan Beech
Portfolio Manager

COMPANY PERFORMANCE

1 Month	3 Months	6 Months	12 Months	Inception
-0.75%	-0.10%	-0.88%	-9.93%	99.71%

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



Water Lease & Forward Update

At 29 February 2024, Duxton Water had 58% of its permanent water portfolio (by value) leased to Australian farming businesses. This accounts for approximately 74% of the Company's high-security portfolio (by value).

The Company's WALE is 2.9 years, or including renewal options, the WALE increases to 4.9 years.

No new leases were entered into during February. However, with summer irrigation almost over, irrigators' attention has turned to the 2024/2025 water year. The Company continues conversations with counterparties to provide a range of leasing options for the forthcoming water year.

From the operations perspective, the Company successfully fulfilled all of its forward contract obligations for 2023/2024 and is currently offering forwards for the next water year.

In addition, interest in carry-over space typically increases at this time of year. The Company is also offering this product to irrigators who want to move water from this water year to the next.

Duxton Water would like to emphasise the importance of having a well-defined water strategy that enables farming businesses to take a multi-year approach to their water security. The products offered by Duxton Water give farmers choice and flexibility when it comes to managing their annual water requirements.



Young walnuts before harvest

QUICK FACTS SUMMARY

	January 2024	February 2024
Water Entitlements	90.7GL	90.7GL
Portfolio Diversification (types)	19	19
Leased % of Portfolio	59%	58%
Weighted Average Lease Expiry (WALE)	3.0 years	2.9 years
WALE (incl. renewal options)	4.9 years	4.9 years

Entitlement Market Update

At 29 February 2024, Duxton Water held 90.7 GL of water entitlements across 19 different entitlement types and classes. There were no significant movements in the portfolio during the month.

The entitlement market was relatively steady across the month of February, with the aggregated market increasing by 1% in value since the end of January.

Most general security/low-reliability entitlement values increased or remained steady during the month. This differs to most high security/high-reliability entitlement values that softened, except for Murrumbidgee high security.

Allocation Market Update

In February 2024, allocation prices continued to decrease due to the large supply of water currently in the market and the end of the summer irrigation season.

By the end of February, spot water was trading between \$15-\$20/ML in the Murrumbidgee, \$25-\$30/ML in the Goulburn, \$25-\$30/ML in the lower Murray, and \$12-\$20/ML in the upper Murray.

Allocation for general security entitlements continues to increase. In Victoria, low-reliability entitlements have now exceeded 75%.

Allocation awarded to entitlements (15 March 2024):

Entitlement Region	High Security	General Security
NSW Murray	100%	110%
VIC Murray	100%	100%
SA Murray	100%	n/a
Murrumbidgee	100%	100%
Goulburn	100%	77%

CARRY-OVER CONTRACT CASE STUDY:

A carryover contract provides irrigators the option to hold allocation on another party's licence. The carryover placer would transfer a specified amount of unused allocation to the other party's allocation account to be carried over from one water year to the next on behalf of the placer at either the holder's or placers' risk. Carryover contracts provide access to water that would otherwise be lost to dam spillage, whilst enabling more efficient resource allocation. Duxton Water offers a range of carryover contracts in various water classes and zones.

Through this type of partnership, Duxton Water offers Australian farming businesses a cost-effective way to maximise their awarded allocation.





Finance Update

At 29 February 2024, Duxton Water's post-tax NAV closed at \$1.61 per share, representing a 1 cent decrease from the month prior.

The Company's pre-tax NAV, which excludes tax provisions, closed at \$1.75, also decreasing by 1 cent from last month.

The decrease in both pre and post-tax NAV was primarily due to a decrease in the value of several high-security water entitlements in the portfolio.

The Company's net debt to water assets ratio ("LVR") is 31%, which remains below the Company's maximum LVR of 40%.

NAV (post-tax)	NAV (pre-tax)
\$1.61 per Share	\$1.75 per Share

Bonus options

At the end of February 2024, there were 38,165,906 options on issue on the ASX under the ticker code D200A.

These options were issued by the Company to existing eligible shareholders¹ at zero cost, on 9 November 2023.

These options give holders the right, but not the obligation, to purchase additional D20 shares at the strike price of \$1.92 per share. These can be exercised on or before 10 May 2026.

Further information about the Company's bonus option issue can be found in the Company's bonus option prospectus, released on the ASX on 30 October 2023.

Dividends

On 29 February 2024, Duxton Water declared a final 2023 dividend of 3.6 cents per share. This dividend is in line with the previously stated dividend target and will be fully franked (30% tax rate) for Australian tax purposes.

The record date for this dividend is Friday, 12 April 2024, with the payment date being Friday, 26 April 2024.

Duxton Water is once again pleased to offer shareholders the ability to participate in the Company's DRP. Participants in the DRP will be entitled to receive additional shares in the Company at a 5% discount. More information on the dividend can be found in the Company's ASX announcements.

This dividend marks the Company's 14th consecutive and increasing dividend since the Company paid its maiden dividend in November 2017.

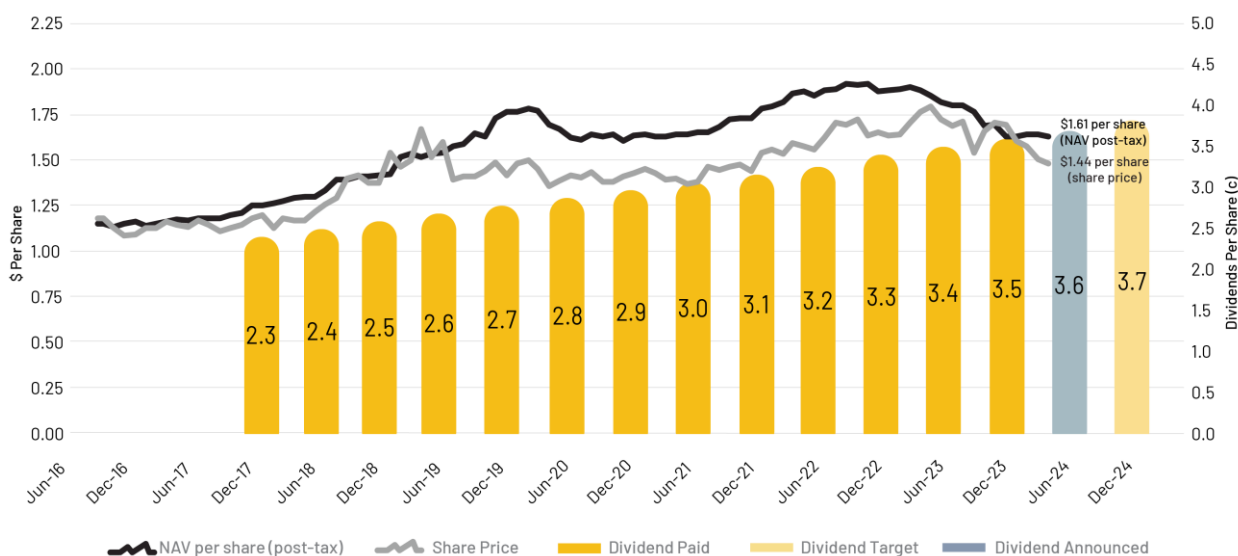
During FY2023, the Company paid two fully franked dividends, totalling 6.9 cents per share. This comprised of a 3.4 cent dividend paid on 28 April 2023 and a 3.5 cent dividend paid on 27 October 2023.

The Board of Duxton Water is pleased to reaffirm dividend guidance for the remainder of FY2024:

	Cents Per Share	Franking Target
Final 2023	3.6 cps	Fully Franked (announced)
Interim 2024	3.7 cps	Fully Franked

1. Bonus Option Eligible Shareholders are those who hold shares in the Company on 3 November 2023 (Record Date) and do not have a registered address in the United States of America.

HISTORICAL PERFORMANCE - SINCE INCEPTION



VALUATION METHODOLOGY

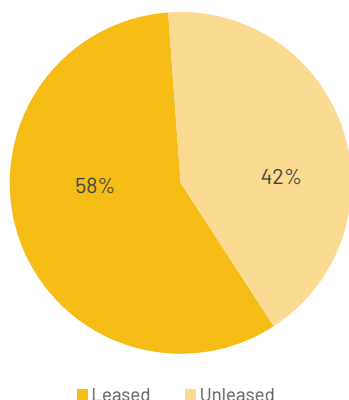
The Company uses an Independent Fair Market Unit Value for entitlement and allocation provided by Aither Pty Ltd ("Aither") to undertake the NAV assessment. Aither's definition of fair market value is consistent with the principles of the Australian Accounting Standards Board (AASB) 13 Fair Value Measurement. 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

Monthly Update

FEBRUARY 2024

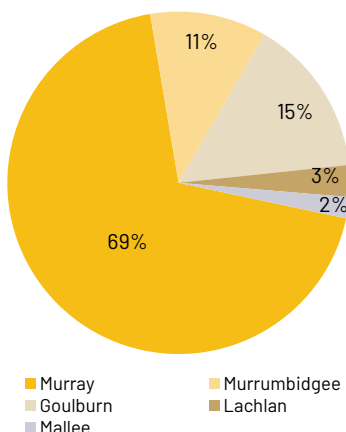


WATER PORTFOLIO DIVERSIFICATION



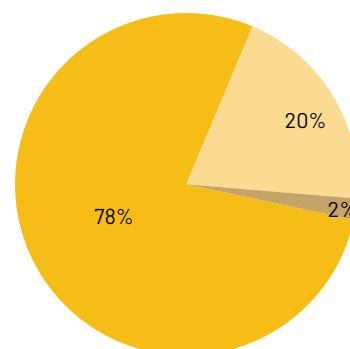
■ Leased ■ Unleased

ENTITLEMENT VALUE BY REGION



■ Murray ■ Murrumbidgee
■ Goulburn ■ Lachlan
■ Mallee

WATER SECURITY BREAKDOWN



■ High Security ■ General Security ■ Groundwater

Weather Update

The national average rainfall for February 2024 was equal to the long-term average. However, it was above average for parts of northern and eastern Australia, and below average across Tasmania, western, and southern Australia.

In the MDB, rainfall was 8% below the long-term average for February. However, the Basin experienced more rain than usual this summer, which was also the case in other regions of Australia.¹

Soil moisture levels were average to above average for much of Australia. However, they were below average for some parts of Western Australia and South Australia.

February 2024 was the fourth warmest on record. The national average temperature was 1.71°C higher than the long-term average. The maximum temperature recorded was 2.02°C above average, while the minimum temperature was 1.41°C above average, making it the sixth and second warmest on record, respectively.

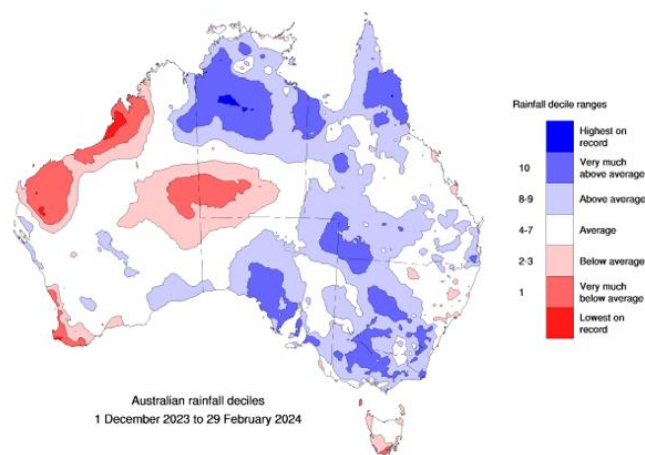
El Niño is still active in the Tropical Pacific, but it is near its end. As of 6 February 2024, the positive IOD event has ended, and the index has returned to neutral values. A neutral IOD has minimal impact on Australia's weather.

The Southern Annual Mode ("SAM") index is currently neutral and is forecasted to remain neutral over the coming weeks.²

The Madden-Julian Oscillation ("MJO") is currently over the Maritime Continent. When the MJO is over the Maritime Continent during Autumn, it will typically lead to increased chances of rainfall and thunderstorms over northern Australia and southeast Asia.³

RAINFALL DECILE CHART (SUMMER)

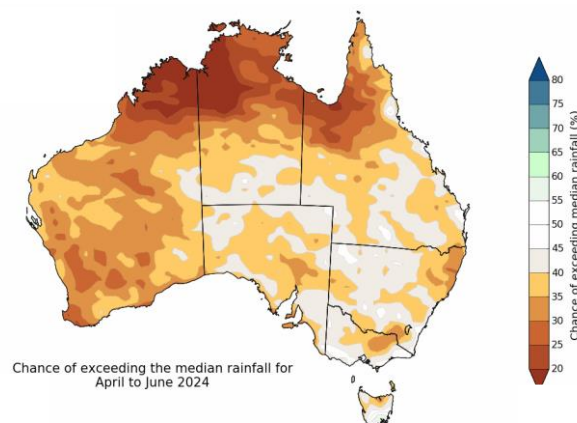
DECEMBER 2023 - FEBRUARY 2024



Source: Bureau of Meteorology -

CHANCE OF ABOVE-AVERAGE RAINFALL

APRIL 2024 - JUNE 2024



Source: Bureau of Meteorology - 14 March 2024

1. Bureau of Meteorology. Australia in February 2024 - 1 March 2024
2. Bureau of Meteorology. Climate Driver Update - 5 March 2024.
3. Bureau of Meteorology. Tropical Climate Update - 12 March 2024.



Outlook & Storages

April to June 2024 rainfall is likely to be below median for most of the north and west and parts of south and east of Australia.

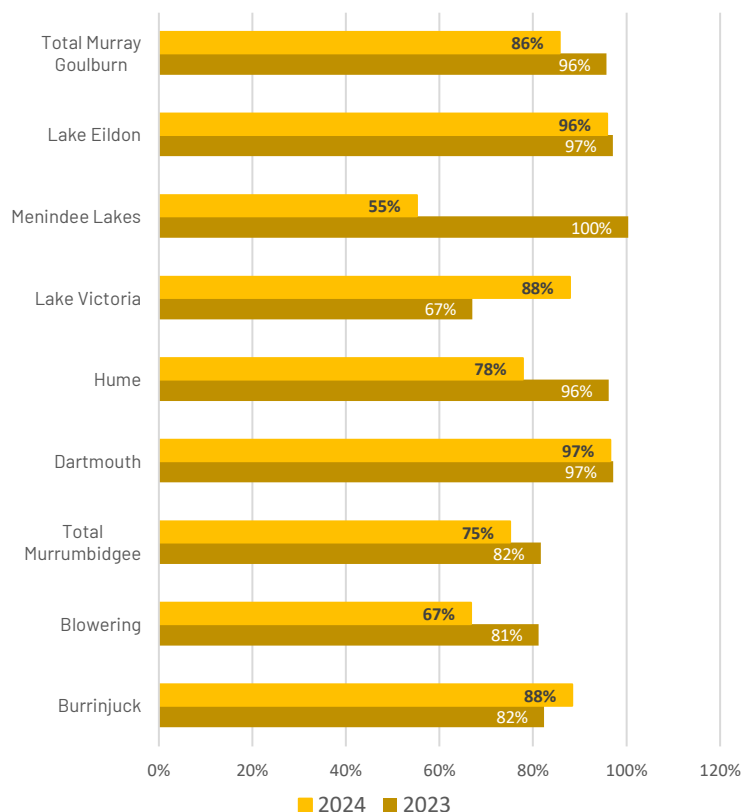
During the same period, most parts of Australia are expected to experience warmer days and nights. Maximum and minimum temperatures are likely to be above average for almost all of Australia.

The current El Niño event is expected to dissipate by the end of April 2024, and ENSO will likely remain neutral throughout Autumn 2024. International climate models are also predicting the IOD to stay neutral until at least April 2024.

In February 2024, river inflows into the Murray system were above the long-term average. High to near median streamflow is likely for March to May.

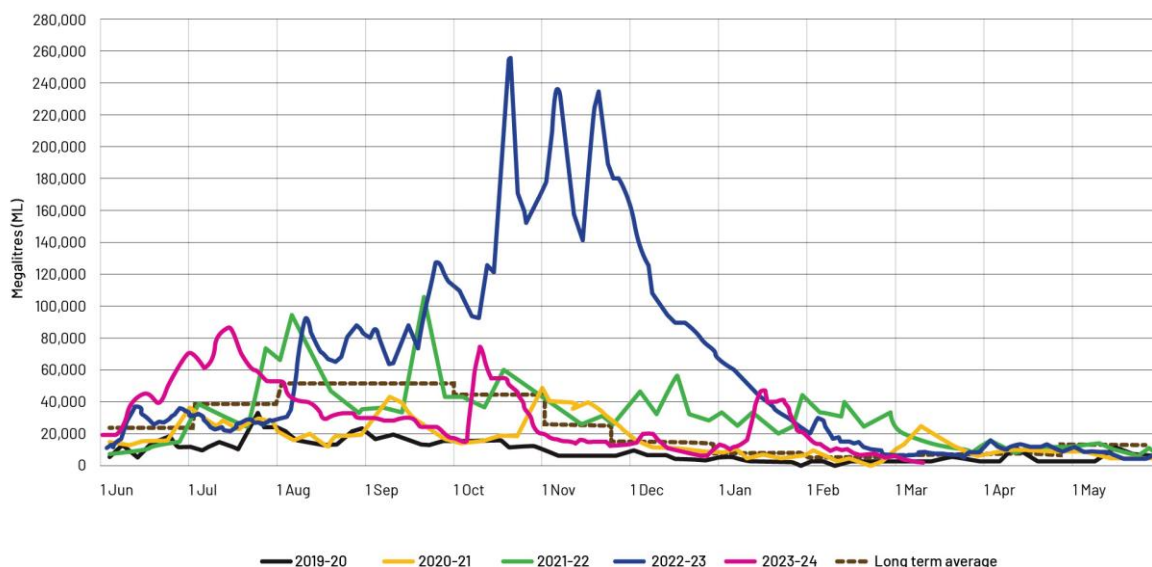
As of 29 February 2024, MDB storage levels were at 81%, down from 92% compared to the previous year. Northern basin storages were at 66%, and southern basin storages were at 84%. These are both lower when compared to storage levels from the previous year of 90% and 93%, respectively.

STORAGE LEVELS IN MAJOR DAMS



DAILY INFLOWS TO THE MURRAY DARLING BASIN

Murray System Daily Inflows (excl. Snowy Darling, inter-valley trade and environmental inflows) - 5 day rolling average



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

DISCLAIMER: This factsheet is prepared by Duxton Water Limited [ACN 611 976 517] ("Duxton Water"). This factsheet has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in Duxton Water. Information from this factsheet must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. The terms of Duxton Water are set out in the prospectus of Duxton Water ("Prospectus"), and should there be any conflict between the terms set out in this factsheet and the Prospectus, the terms in the Prospectus shall prevail. The forecasts provided are based upon Duxton Water's opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/ units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. This document does not constitute investment, tax, legal or any other form of advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. If you require investment or financial advice please contact a regulated financial adviser. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this presentation. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by Duxton Water or its affiliates or any of their directors or employees. The information and opinions contained may also change. Copyright protection exists in this presentation. To the extent permitted by applicable law, none of Duxton Water, Duxton Capital (Australia) Pty Ltd, their respective affiliates, or any of their respective officers or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this factsheet or its contents, including for negligence.