

# Notice of Extraordinary General Meeting

Duxton Farms Ltd  
ACN 129 249 243

---

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Duxton Farms Ltd ACN 129 249 243 (**DBF** or **Duxton Farms**) will be held at:

Date: Friday, 10 October 2025

Time: 2pm (Adelaide time)

Venue: Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021 Cth*, Duxton Farms will not be mailing physical copies of this Notice of Meeting to Duxton Farms Shareholders, and instead this Notice of Meeting will be sent electronically to Duxton Farms Shareholders where DBF has a record of their email address, or will otherwise be made available to Duxton Farms Shareholders where Duxton Farms does not have a record of their email address through a URL in a postcard sent to them by mail.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting, including instructions on how to vote.

The directors of Duxton Farms recommend that Duxton Farms Shareholders read the Notice of Meeting and the Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Certain terms and abbreviations used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary, or elsewhere in, the Explanatory Memorandum.

## Agenda

The purpose of the Extraordinary General Meeting is to consider and, if thought fit, to pass the Resolutions below. Information on the Resolutions is below and in the Explanatory Memorandum forming part of this Notice of Meeting.

### Resolution 1 – Approval to issue Duxton Farms Shares to the EP Placement Entity

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 10.11 and for all other purposes, subject to the Merger proceeding to implementation, approval is given for Duxton Farms to issue 400,000 Duxton Farms Shares at \$1.25 per Duxton Farms Share to the EP Placement Entity on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion Statement

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- the EP Placement Entity and any other person who will obtain a material benefit as a result of the issue of Duxton Farms Shares to the EP Placement Entity (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 1; and
  - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 2 – Approval to issue Duxton Farms Shares to Richard Magides

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 10.11 and for all other purposes, subject to the Merger proceeding to implementation, approval is given for Duxton Farms to issue 2,000,000 Duxton Farms Shares to Richard Magides as part of the Placement on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion Statement

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- Richard Magides and any other person who will obtain a material benefit as a result of the issue of Duxton Farms Shares to Richard Magides (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 2; and
  - the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

## Resolution 3 – Approval to acquire a substantial asset from the EP 10.1 Entities

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That subject to approval of Resolution 4, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for Duxton Farms to acquire the EP Merger Company Shares from the EP 10.1 Entities as part of the Merger, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- the EP 10.1 Entities and any other person who will obtain a material benefit as a result of the issue of Duxton Farms Shares to the EP 10.1 Entities (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on Resolution 3 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 3; and
  - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Independent Expert's Report**

Duxton Farms Shareholders should read and carefully consider the report prepared by the Independent Expert (in Annexure A) for the purposes of Duxton Farms Shareholder approval of this Resolution 3 under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the proposed acquisition from the EP 10.1 Entities, the subject of this Resolution 3, to Duxton Farms Shareholders whose votes in favour of the proposed acquisition are not to be disregarded under Listing Rule 14.11 (as set out above).

The Independent Expert has determined that the proposed acquisition, the subject of Resolution 3, is not fair but reasonable to the non-associated Duxton Farms Shareholders.

### **Resolution 4 – Approval to acquire a substantial asset from Richard Magides**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That subject to approval of Resolution 3, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for Duxton Farms to acquire the RM Merger Company Shares from Richard Magides as part of the Merger, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- Richard Magides and any other person who will obtain a material benefit as a result of the issue of Duxton Farms Shares to Richard Magides (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 4; and
  - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

### Independent Expert's Report

Duxton Farms Shareholders should read and carefully consider the report prepared by the Independent Expert (in Annexure A) for the purposes of Duxton Farms Shareholder approval of this Resolution 4. The Independent Expert's Report comments on the fairness and reasonableness of the proposed acquisition from Richard Magides, the subject of Resolution 4, to Duxton Farms Shareholders whose votes in favour of the proposed acquisition are not to be disregarded under Listing Rule 14.11 (as set out above).

The Independent Expert has determined that the proposed acquisition, the subject of Resolution 4, is not fair but reasonable to the non-associated Duxton Farms Shareholders.

### Resolution 5 – Approval to issue certain Duxton Farms Shares to Duxton Capital Investments

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That subject to approval of Resolutions 3 and 4, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for Duxton Farms to issue 1,250,368 Shares to Duxton Capital Investments in consideration for the acquisition by Duxton Farms of ordinary shares held by Duxton Capital Investments in certain Merger Companies under the Ordinary Share SPAs as part of the Merger on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion Statement

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- the Duxton Capital Investments and any other person who will obtain a material benefit as a result of the issue of Duxton Farms Shares to the Duxton Capital Investments in consideration for the acquisition by Duxton Farms of ordinary shares held by Duxton Capital Investments in the Merger Companies under the Ordinary Share SPAs as part of the Merger (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chair to vote on Resolution 5 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 5; and
  - the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 6- Approval to amend the Investment Management Agreement**

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rules 10.1, the Undertaking and for all other purposes, approval is given for Duxton Farms to amend the terms of the investment management agreement between Duxton Farms and the Investment Manager dated 7 November 2017 as amended by the Amendment Deed dated 12 January 2018 on the terms referred to in the Explanatory Memorandum."*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, Duxton Farms will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- the Investment Manager and any other person who will obtain a material benefit as a result of the amendments to the Investment Management Agreement (except a benefit solely by reason of being a Duxton Farms Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the directions given to the proxy or attorney to vote on Resolution 6 in that way;
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chair to vote on Resolution 6 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 6; and
  - the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Independent Expert's Report**

Duxton Farms Shareholders should read and carefully consider the report prepared by the Independent Expert (in Annexure B) for the purposes of this Resolution 6. The Independent Expert's Report comments on the fairness and reasonableness of the amendments to the Investment Management Agreement, the subject of this Resolution 6, to Duxton Farms Shareholders whose votes in favour of the proposed acquisition are not to be disregarded under Listing Rule 14.11 (as set out above).

The Independent Expert has concluded that the proposed amendments to the Investment Management Agreement are fair and reasonable to the non-associated Duxton Farms Shareholders.

## How to vote

### Venue

The Extraordinary General Meeting of Duxton Farms Shareholders of Duxton Farms will be held at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000 on Friday, 10 October 2025 at 2pm (Adelaide time).

### How to vote

Duxton Farms Shareholders may vote by attending the Meeting in person, by proxy or authorised representative.

### Who may vote

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Persons eligible to vote at the Extraordinary General Meeting are those who are registered Duxton Farms Shareholders of the Company at 6.30pm (Adelaide time) on Thursday, 9 October 2025.

### Voting in Person

Duxton Farms Shareholders, or their attorneys, who plan to attend the Meeting in person are asked to arrive at the venue 30 minutes prior to the designated time for the Meeting, if possible, so that their holding may be verified and their attendance recorded. To be effective, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by Duxton Farms' share registry in the same manner, and by the same time as outlined for Proxy Forms below.

Please note that an attorney has no power to act for a Duxton Farms Shareholder at the Meeting if the Duxton Farms Shareholder is present in person (in the case of an individual) or by representative (in the case of a body corporate).

### Proxies Appointment

A Duxton Farms Shareholder entitled to attend and vote is entitled to appoint a proxy. A Duxton Farms Shareholder who is entitled to cast two or more votes at the Meeting has a right to appoint not more than 2 proxies to attend and vote for the Duxton Farms Shareholder at the Meeting. Where a Duxton Farms Shareholder appoints 2 proxies, the appointment may specify the proportion or number of votes which each proxy may exercise. If the appointment does not specify the proportion or number of the Duxton Farms Shareholder's votes each proxy may exercise, then each proxy may exercise half of those votes.

A proxy need not be a Duxton Farms Shareholder.

### Proxies Lodgement

To be valid, a Proxy Form must be received not later than 48 hours before the Extraordinary General Meeting, being 2pm (Adelaide time) on Wednesday, 8 October 2025 (**Proxy Deadline**). Proxies may be submitted by:

- posting it to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- hand delivering it to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- faxing it to Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- Cast the Duxton Farms Shareholder's vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the Duxton Farms Shareholder's Control Number, SRN/HIN and PIN, which are shown on the first page of the enclosed Proxy Form; or

- for Intermediary Online subscribers only (custodians), lodging online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com)

A proxy appointment must be signed by the Duxton Farms Shareholder or the Duxton Farms Shareholder's attorney. Where the appointment is signed by the appointor's attorney, a certified copy of the authority, or the authority itself, must be lodged with Duxton Farms in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.

A proxy has no power to act for a Duxton Farms Shareholder at the Meeting if the Duxton Farms Shareholder is present in person (in the case of an individual), by representative (in the case of a body corporate) or by attorney.

Duxton Farms Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any director of Duxton Farms that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, subject to the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice of Meeting.

Duxton Farms Shareholders who appoint the Chairman as proxy by marking the box at **STEP 1** on the Proxy Form, are providing express authorisation for the Chairman to exercise the proxy on all Resolutions in accordance with his intentions as set out in this Notice and the Proxy Form (except if indicated a different voting intention by marking the voting boxes at **STEP 2** on the Proxy Form).

The chair intends to vote undirected proxies **in favour** of each item of business. In exceptional circumstances, the chair may change his or her voting intention on any resolution, in which case an ASX announcement will be made.

### **Body corporate representative**

A Duxton Farms Shareholder who is a body corporate and who is entitled to attend and vote at the Meeting, or a proxy who is a body corporate and who is appointed by a Duxton Farms Shareholder entitled to attend and vote at the Meeting, may appoint a person to act as its representative at the Meeting by providing that person with:

- a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or
- a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

### **Questions on how to cast your votes**

If you have any queries on how to cast your votes, please call Duxton Farms' share registry:

Computershare Investor Services Pty Limited  
Phone: 1800 850 505 (within Australia)  
Phone: +61 3 9415 4000 (outside Australia)

### **Questions about Duxton Farms**

Duxton Farms Shareholders may direct questions during the Meeting to the Chair about the operations and management of Duxton Farms.

In addition, a question form has been included with this Notice to make it easier for Duxton Farms Shareholders to submit written questions. Please submit written questions by no later than 2pm (Adelaide



time) on Wednesday, 8 October 2025 to the secretary of Duxton Farms by post or email at the address below:

**Attention:** Company Secretary

**Address** (for hand delivery or delivery by courier or post): 7 Pomona Road, Stirling, South Australia 5152

**Email:** [companysecretary@duxtonam.com](mailto:companysecretary@duxtonam.com)

**By order of the board of Duxton Farms Limited**

Katelyn Adams

Company Secretary

4 September 2025

# Notice of Extraordinary General Meeting and Explanatory Memorandum



## Duxton Farms Ltd

ACN 129 249 243

The Independent Expert has determined:

- in respect of Resolution 3, the EP 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders;
- in respect of Resolution 4, the RM 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders; and
- in respect of Resolution 6, the proposed amendments to the Investment Management Agreement are fair and reasonable to the non-associated Duxton Farms Shareholders.

The Duxton Farms Directors unanimously recommend that the Duxton Farms Shareholders:

## VOTE IN FAVOUR

of the Resolutions at the Extraordinary General Meeting subject to the Independent Expert continuing to conclude that:

- Resolutions 3 and 4 are not fair but reasonable, or subsequently concludes they are fair and reasonable to non-associated Duxton Farms Shareholders; and
- Resolution 6 is fair and reasonable, or subsequently concludes they not fair but reasonable to the non-associated Duxton Farms Shareholders.

This is an important document and requires your immediate attention. You should read it in full before deciding how to vote on the Resolutions at the Meeting.

If you are in any doubt as to how to deal with this document, please consult your financial, legal or other professional adviser. If you have recently sold all of your Shares, please disregard this and all enclosed documents.

## IMPORTANT NOTICES

### General

This Explanatory Memorandum (incorporating the Notice of Meeting, Independent Expert's Report on Resolutions 3 and 4 in Annexure A; the Independent Expert Report on Resolution 6 in Annexure B; the Investigating Accountant's Report in Annexure C and the Proxy Form in Annexure D) is an important document and requires your immediate attention. You should read this Explanatory Memorandum (and its attachments) in full before deciding how to vote on the Resolutions at the Meeting. If you are in any doubt as to what you should do, please consult your financial, legal or other professional adviser. If you have recently sold all of your Duxton Farms Shares, please disregard this and all enclosed documents.

### Purpose of Explanatory Memorandum

This Explanatory Memorandum contains an explanation of, and information about, the Resolutions to be considered at the Extraordinary General Meeting (referred to as the **Meeting** in this Explanatory Memorandum).

### Conditional placements

On 26 June 2025, Duxton Farms announced it was undertaking a fully underwritten conditional placement of fully paid ordinary shares in Duxton Farms.

As part of the placement, an entity associated with Duxton Farms' director Edouard (Ed) Peter committed to subscribe for Duxton Farms Shares. This is referred to as the EP Placement. The issue of Duxton Farms Shares under the EP Placement to this entity is conditional on Resolution 1 being passed by Duxton Farms Shareholders. If the requisite Duxton Farms Shareholder approval is obtained, the EP Placement will settle on (and subject to) implementation of the Merger discussed below.

Further, as part of the placement, an entity associated with major Duxton Farms Shareholder Richard Magides committed to subscribe for Duxton Farms Shares. This is referred to as the RM Placement. The issue of Duxton Farms Shares under the RM Placement to these entities is conditional on Resolution 2 being passed by Duxton Farms Shareholders. If the requisite Duxton Farms Shareholder approval is obtained, the RM Placement will settle on (and subject to) implementation of the Merger discussed below.

### Merger

On 26 June 2025, Duxton Farms announced it had entered into Scheme Implementation Agreements and Ordinary Share SPAs to merge with four Australian agricultural companies being Duxton Dried Fruits Pty Ltd; Duxton Bees Pty Ltd; Duxton Orchards Pty Ltd; and Duxton Dairies (Cobram) Pty Ltd (referred to as Duxton Walnuts). Under each Scheme Implementation Agreement, the parties have agreed to implement each Scheme and effect the Merger. The Merger is conditional on, amongst other things, Resolutions 3 and 4 being passed by Duxton Farms Shareholders.

Resolution 5 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.11 for the issue of Duxton Farms Shares to Duxton Capital Investments in consideration for the acquisition by Duxton Farms of Merger Company Ordinary Shares held by Duxton Capital Investments in certain Merger Companies under the Ordinary Share SPAs as part of the Merger.

### Amendments to Investment Management Agreement

On 26 June 2025, Duxton Farms announced its proposal to amend its existing Investment Management Agreement with the Investment Manager, Duxton Capital (Australia) Pty Ltd ACN 164 225 647, an entity indirectly controlled by Duxton Farms' director Ed Peter. As a condition to Duxton Farms' admission to the official list of the ASX, Duxton Farms entered into a Deed with ASX under which it undertook that it would obtain the approval of Duxton Farms Shareholders for any material changes to the Investment Management Agreement. The amendments to the Investment Management Agreement are conditional on Resolution 6 being passed by Duxton Farms Shareholders.

### Other

This Explanatory Memorandum also constitutes the explanatory statement and information for the Resolutions as required by the Listing Rules and the Corporations Act.

This Explanatory Memorandum does not purport to list or summarise all of the final terms and conditions of the Merger, Placement or Investment Management Agreement, nor to identify or define all or any of the risks that would be associated with voting in favour of the Resolutions. Information in this Explanatory Memorandum is current as at the date of this Explanatory Memorandum (unless otherwise indicated) and remains subject to change without notice. To the extent permitted by law, no representation, warranty or undertaking, express or implied, is made as to, and no reliance should

be placed upon, the quality, fairness, accuracy, completeness or correctness of the information or opinions contained in this Explanatory Memorandum or as to the reasonableness of any assumptions contained herein or in any other information made available (whether in writing or orally) to the recipient and Duxton Farms and its affiliates, directors, officers, advisors, employees, representatives and advisors, expressly disclaim any and all liability based, in whole or in part, on such information, errors therein or omissions therefrom.

The matters referred to in this Purpose of Explanatory Memorandum were first described by Duxton Farms in a Transaction Announcement and Investor Presentation released to ASX on 26 June 2025, and in subsequent announcements made by Duxton Farms and released to the ASX. To the extent there is any inconsistency between this Explanatory Memorandum and those documents, or any other documents released to ASX prior to the date of this Explanatory Memorandum, this Explanatory Memorandum prevails.

#### **Not an Offer**

This Explanatory Memorandum is not and does not contain an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. This Explanatory Memorandum is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act or any other law.

#### **United States and other jurisdictions**

The distribution of this Explanatory Memorandum in jurisdictions outside Australia, including the United States, may be restricted by law and you should observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. This Explanatory Memorandum and the information contained herein does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such offer would be illegal. The securities referred to in this Explanatory Memorandum have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which Duxton Farms has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable

securities laws of any state or other jurisdiction of the United States.

#### **Not investment or financial product advice**

This Explanatory Memorandum is not financial product or investment advice or a recommendation to acquire new shares or accounting, legal or tax advice and does not and will not form any part of any contract or commitment for the acquisition of new shares. In providing this document, Duxton Farms has not considered the objectives, financial position or needs of any particular recipient. Each recipient of this Explanatory Memorandum should make its own enquiries and investigations regarding all information in this Explanatory Memorandum including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Duxton Farms and the impact that different future outcomes might have on Duxton Farms. Information in this Explanatory Memorandum is of a general nature, is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the objectives, financial situation or needs of individuals.

An investment in securities is subject to known and unknown risks, some of which are beyond the control of Duxton Farms and its directors, including, possible loss of income and principal invested. Duxton Farms does not guarantee any particular rate of return or the performance of Duxton Farms, nor does it guarantee any particular tax treatment.

Before making an investment decision, you should consider the appropriateness of the information having regard to your own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. You should also have regard to the 'Key Risks' in Appendix E the Investor Presentation when making an investment decision. Duxton Farms is not licensed to provide financial product advice, including in respect of its shares.

#### **Future performance and forward-looking statements**

This Explanatory Memorandum contains certain "forward-looking statements", including of Duxton Farms and each Merger Company on a standalone basis and of Duxton Farms following completion of the Merger, that are based on Duxton Farm's beliefs, assumptions and expectations and on information currently available to it. The words "expect", "likely", "should", "could", "may", "will", "aim", "intend", "propose", "believe", "opinion", "consider", "predict", "plan", "scenario", "project", "outlook",

“guidance”, “forecast”, “anticipates”, “target”, “estimate” and other similar expressions within the meaning of securities laws of applicable jurisdictions are intended to identify forward-looking statements. Investors are strongly cautioned not to place undue reliance on forward-looking statements. Any forward-looking statements, opinions and estimates in this Explanatory Memorandum speak only as of the date of this Explanatory Memorandum and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Any such statements contained in this Explanatory Memorandum are not indications, guarantees or predictions of future performance or outcomes and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Duxton Farms, each Merger Company and their respective directors and management, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. This includes statements about market and industry trends, which are based on interpretations of current market conditions. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Duxton Farms or any of its advisors). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Explanatory Memorandum will actually occur. Actual operations, results, performance, targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

Except as required by law or regulation (including the ASX Listing Rules), Duxton Farms disclaims any obligation or undertaking to update forward-looking statements in this Explanatory Memorandum to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

### **Past performances**

Past performance and aggregated historical information of Duxton Farms and each Merger Company given in this Explanatory Memorandum are given for illustrative purposes only and should not be relied upon as (and is not) an indication of Duxton Farms' views on its future performance or condition. Investors should note that past performance, including past share price performance of Duxton Farms cannot be relied upon as an indicator of (and provides no

guidance as to) future performance of Duxton Farms, including future share price performance. The historical financial information contained in this Explanatory Memorandum of Duxton Farm is, or is based on, information that has previously been released to ASX. Nothing contained in this Explanatory Memorandum nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

The historical and pro forma financial information included in this Explanatory Memorandum is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Duxton Farms' views on its future performance or condition following completion of the Merger; they are not representations as to future matters. Importantly, such information is subject to the assumptions and qualifications to that information in this Explanatory Memorandum. Past performance should not be relied upon as an indicator of future performance. Certain historical information in this Explanatory Memorandum is, or is based upon, information contained in previous announcements made by Duxton Farms to the market, which are available at [www.asx.com.au](http://www.asx.com.au). The basis of preparation of that information is in those announcements.

### **Financial data**

Certain figures, percentages, estimates, calculations of value and fractions provided in this Explanatory Memorandum are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures in the Explanatory Memorandum. All financial amounts contained in this Explanatory Memorandum are expressed in Australian currency, unless otherwise stated.

This Explanatory Memorandum includes certain historical financial information of Duxton Farms and certain financial information of each Merger Company. This financial information has been included in this Explanatory Memorandum to provide an overview of the Merger and should not be used for any other purpose. The financial information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Investors should be aware that certain financial measures included in this Explanatory Memorandum are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230:



'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, and are not recognised under AAS and International Financial Reporting Standards (IFRS). Non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Duxton Farms believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information /non-GAAP financial measures included in this Explanatory Memorandum.

Accordingly, the actual calculation of these figures may differ from the figures in this Explanatory Memorandum.

### **Responsibility Statement**

Duxton Farms has prepared and takes responsibility for the information included in this Notice of Meeting and Explanatory Memorandum (excluding Merger Company Notice of Meeting Information and the Independent Expert's Reports set out at Annexure A and Annexure B). The Merger Companies (and their respective Representatives) do not assume any responsibility for the accuracy or completeness of that information.

Each Merger Company has prepared and takes responsibility for its Merger Company Notice of Meeting Information included in this Notice of Meeting and Explanatory Memorandum. Duxton Farms (and its respective Representatives) does not assume any responsibility for the accuracy or completeness of that information.

The Independent Expert has prepared, and is responsible for, the Independent Expert's Reports at Annexure A and Annexure B. Duxton Farms and the Merger Companies (and their respective Representatives) do not assume any responsibility for the accuracy or completeness of that information except to the extent that entity has provided information in writing to the Independent Expert for the purposes of preparing the Independent Expert's Reports.

### **Market and industry data**

Certain market and industry data used in connection with this Explanatory Memorandum

may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Market data should not be relied upon as an indication or guarantee of future performance.

None of Duxton Farms, each Merger Company, or their respective representatives or advisors have independently verified any such market or industry data provided by third parties or industry or general publications nor give any guarantee, representation or warranty, express or implied, is made as to the likelihood or achievement of any market data.

### **ASX**

A draft of this Explanatory Memorandum was lodged with ASX for review in accordance with the Listing Rules. Neither ASX nor any its officers takes any responsibility for the contents of this Explanatory Memorandum.

### **Definitions and sections**

Defined terms are used in the Explanatory Memorandum. The defined terms are in the Glossary in section 16.

References to sections are references to sections in this Explanatory Memorandum unless otherwise indicated.

### **Time and date**

All references to time in this Explanatory Memorandum are references to Adelaide, Australia time, unless otherwise stated.

All times and dates relating to the implementation of the Merger, Schemes and matters referred to in this Explanatory Memorandum may change and, among other things, are subject to Duxton Farms Shareholder approval, Court approval and all necessary approvals from regulatory authorities (as applicable).

### **Currency**

All references in this Explanatory Memorandum to "\$", "A\$" and "cents" are references to Australian currency, unless otherwise specified

### **Other**

To the extent permitted by law, Duxton Farms reserves the right amend or withdraw the matters described in the Explanatory Memorandum, including a transaction described in it, the timetable or a Resolution.

### **Date**

This Explanatory Memorandum is dated 4 September 2025.

## Key dates

Event	Date
Date of this Explanatory Memorandum	4 September 2025
Latest time and date for receipt of Proxy Forms or powers of attorney by Computershare for the Meeting	2pm (Adelaide time) on Wednesday, 8 October 2025
Time and date for determining eligibility to vote at the Meeting	6.30pm (Adelaide time) on Thursday, 9 October 2025
Meeting	2pm (Adelaide time) on Friday, 10 October 2025
Indicative date for amended Investment Management Agreement to commence	Friday, 10 October 2025
Indicative date for implementation of the Merger and settlement of the EP Placement and RM Placement	Thursday, 30 October 2025

The dates in the above timetable are indicative only and are subject to change. Any changes to these dates will be announced to ASX.

## Contents

1.	Background and Frequently Asked Questions.....	23
2.	What should you do?.....	30
3.	Overview of the Merger .....	31
4.	Information about Duxton Bees .....	39
5.	Information about Duxton Dried Fruits.....	42
6.	Information about Duxton Orchards .....	43
7.	Information about Duxton Walnuts .....	45
8.	Information about the Merged Group .....	47
9.	Merged Group Unaudited Pro Forma Historical Consolidated Financial Information .....	56
10.	Overview of the Placement .....	67
11.	Overview of the proposal to amend the Investment Management Agreement .....	68
12.	Resolutions.....	74
13.	Key Risks .....	93
14.	Additional information .....	106
15.	Escrow Arrangements .....	113
16.	Glossary .....	115
	Schedule 1 – Historical financial information on Merger Companies .....	121



# Letter from the Deputy Chair and Chair of the Due Diligence Committee

Dear Shareholder,

I am pleased to present the Explanatory Memorandum and Notice of Extraordinary General Meeting for the proposed Merger between Duxton Farms Ltd and four Australian agricultural companies, being Duxton Dried Fruits, Duxton Bees, Duxton Walnuts and Duxton Orchards, to be executed via schemes of arrangement and sale agreements, and the approval of amendments to Duxton Farms' Investment Management Agreement.

The Company has been issued a no objection notice from the Treasurer in respect of relevant actions required to implement the Merger in satisfaction of the Foreign Investment Review Board condition to each Scheme, meaning that the Merger is now conditional on, amongst other things, Duxton Farms Shareholders approving the Merger Resolutions set out in this Explanatory Memorandum. On behalf of Duxton Farms Independent Directors, I would like to invite you to attend the upcoming Extraordinary General Meeting to consider and vote on the resolutions relating to the Merger and the Merged Group, which are outlined below.

Duxton Farms' investment strategy for the past few years has been defined by a drive to expand and broaden the Company's exposure to the Australian agricultural sector, with the primary objective being to shift the focus of the portfolio away from dryland cropping towards assets which the Board believe can elevate and stabilise the Company's earnings profile. The proposed Merger achieves most of the core objectives of this strategy in a single transaction, bringing together a collection of assets which have taken approximately two decades of cumulative work to establish and develop into one portfolio with a relatively small cash outlay when compared with the total size of the transaction.

The proposed Merger is expected to achieve this by introducing a range of greenfield, maturing and mature assets into the portfolio which are generally characterised by more stable production cycles and higher economic margins, thereby creating a larger, less volatile, more well-rounded investment platform with greater long-term economic potential than Duxton Farms or any of the Merger Companies have by themselves. Assets like those held by Duxton Dried Fruits and Duxton Orchards which are either at or nearing productive maturity are expected to be key in reducing the time to positive operating cash flows relative to the status quo, offsetting some of the costs the Company's long-term development projects at Piambie and in Northern Australia. These will be complemented by Duxton Walnuts and Duxton Bees, both at a similarly early stage in their development, which help establish a pipeline of growth opportunities that the Board expect to result in sustained value creation into the next decade and beyond, thereby laying the foundations for a stronger, more robust business overall.

The proposed Merger will introduce a valuable new set of skills and expertise into Duxton Farms which is expected to improve the capabilities of the operations team, particularly with regards to apiary and the development and cultivation of permanent horticulture assets. The proposed Merger will also facilitate the internalisation of several corporate functions historically performed by the Investment Manager as surplus services outside the scope of the Investment Management Agreement. This agreement will itself be refined with a simplified fee structure, which the Board expect to result in sustained cost savings for the Company over time.

The internalisation of corporate functions will see a set of DCA's personnel who have been involved in establishing and building both Duxton Farms and the Merger Companies employed directly by the Company, which is a unique transfer of intellectual property that is only possible in the context of this transaction. The Company's operations will be overseen by Simon Stone, who brings a wealth of experience in Australian corporate agriculture to his role as incoming Chief Operations Officer.

It will take some time to bring the Merged Group together and operating as a cohesive business, especially given that several of the Merger Companies being acquired still have some way to go with regards to their development timeframes. However, the Board believe there are a number of potential synergies that the Company may begin to benefit from almost immediately and, speaking on behalf of the Duxton Farms Independent Directors, I am confident that Shareholders will see the development of a larger, more robust business with significant upside potential within the next few years as a direct result of the proposed Merger.

## Purpose of Meeting and Resolutions

The purpose of the Meeting is for Duxton Farms to seek a number of Shareholder approvals which are either conditions precedent to the Merger or being proposed to facilitate Implementation or the post-Implementation operations of the Merged Group. In summary, approval is being sought for the following resolutions:

- Resolution 1: Approval to issue shares to Ed Peter as part of the conditional placement outlined in the Explanatory Memorandum.
- Resolution 2: Approval to issue shares to Richard Magides as part of the conditional placement outlined in the Explanatory Memorandum.
- Resolution 3: Approval to acquire Ed Peter's shares in the Merger Companies as part of the Merger on the terms outlined in the Explanatory Memorandum.
- Resolution 4: Approval to acquire Richard Magides' shares in the Merger Companies as part of the Merger on the terms outlined in the Explanatory Memorandum.
- Resolution 5: Approval to issue shares to Duxton Capital Investments in considerations for the acquisition of ordinary shares held by Duxton Capital Investments in certain Merger Companies as part of the Merger on terms outlined in the Explanatory Memorandum.
- Resolution 6: Approval to amend the terms of the Investment Management Agreement between Duxton Farms and the Investment Manager on the terms outlined in the Explanatory Memorandum.

Further details on each Resolution are set out in section 12 of this Explanatory Memorandum, and Shareholders are encouraged to read and carefully consider the full wording of each Resolution before casting their vote.

## Duxton Farms Shareholders' Recommendation

The Board and Duxton Farms Independent Directors unanimously recommend that Duxton Farms Shareholders vote in favour of the Resolutions in the Meeting, subject to the Duxton Farms Independent Expert continuing to conclude that the Resolutions on which they being asked to opine are:

- in respect of Resolution 3 and 4, the EP 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders;
- in respect of Resolution 4, the RM 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders; and
- in respect of Resolution 6, the proposed amendments to the Investment Management Agreement are fair and reasonable to the non-associated Duxton Farms Shareholders.

Each Duxton Farms Director intends to vote all of the Duxton Farms Shares they own or control in favour of the Resolutions, subject to any relevant voting exclusions.

Please see section 14.1 of this Explanatory Memorandum for a summary of the Relevant Interests of the Duxton Farms Directors in Duxton Farms Shares.

The Duxton Farms Independent Directors have carefully considered the merits of the proposed Merger and believe that it is in the best interests of all Duxton Farms Shareholders. Therefore, the Board unanimously recommend that Duxton Farms Shareholders vote in favour of all Resolutions for the following reasons:

- At maturity the Merger Companies are believed to offer higher cash generation potential than Duxton Farms' historical portfolio of broadacre farming assets;
- There is believed to be higher growth capital potential in the Merger Companies over their acquisition prices which may act as powerful drivers of value creation;

- There is a significant amount of value embedded in Duxton Farms' development projects which can only be realised in the portfolio with time;
- The proposed Merger derisks the portfolio with regards to geographic and commodity market exposure;
- The management of and internalised intellectual property embedded in the Merger Companies improve the prospects of Duxton Farms' own development projects;
- The proposed Merger will create one of Australia's most significant ASX-listed diversified agricultural portfolios with an expanded share register, potentially higher on-market liquidity, possibly leading to greater institutional interest;
- The proposed Merger facilitates the internalisation of some corporate functions performed by the Investment Manager which sit outside the scope of the existing Investment Management Agreement, including the transfer of employees and the associated intellectual property belonging to DCA; and,
- The proposed Merger is able to bring together four businesses in one transaction, which would have been extraordinarily challenging in any other context.

The Duxton Farms Independent Directors have considered the proposed Merger both against the status quo for the Company and against other potential strategies, including privatisation and liquidation, and have concluded that the proposed Merger was the most value-accretive option considered. Further discussion of this can be found in the 2025 Annual Report released to the ASX on 7 August 2025.

Although the Duxton Farms Directors unanimously recommend that Duxton Farms Shareholders vote in favour of all Resolutions, subject to the Duxton Farms Independent Expert continuing to conclude that Resolutions 3 and 4 are not fair but reasonable to non-associated Duxton Farms Shareholders, you may not agree that the Merger and the Resolutions are in your best interest. Some reasons you may wish to vote against the Resolutions and potential disadvantages of the Merger include:

- The Merger involves issuing Duxton Farms Shares to Scheme Shareholders at \$1.25 per Duxton Farms Share, which is a 47.7% discount to the Company's statutory net asset value;
- Depending on the supply and demand for the Duxton Farms Shares, post-Merger selling may place downward pressure on the Duxton Farms Share price in the short term;
- The proposed Merger will result in existing Duxton Farms Shareholders' proportional ownership of the Company being diluted as Shares are issued as consideration; and,
- Shareholders in Duxton Farms will gain exposure to the Merger Companies as the Company diversifies away from broadacre cropping.

I note that the points outlined above are intended as a summary only; for further details of the advantages and disadvantages of the proposed Merger, Shareholders are encouraged to refer to section 3.11 of the Explanatory Memorandum.

The Duxton Farms Independent Directors unanimously believe that, in respect of the Merger and therefore the Resolutions, the advantages of the above significantly outweigh the potential disadvantages. The Board further notes that shareholders should assess the proposed Merger against Duxton Farms' existing position, given that the other strategies previously mentioned are not presently under consideration by the Directors as alternative courses of action.

### **Duxton Farms Independent Expert in Respect of Resolutions 3 and 4**

To assist Duxton Farms Shareholders to assess Resolutions 3 and 4 under Listing Rule 10.1, the Duxton Farms Independent Directors appointed the Duxton Farms Independent Expert to prepare the Duxton Farms Independent Expert's Report opining on whether the issuance of Duxton Farms Shares to Ed Peter and Richard Magides as part of the Merger on the terms outlined in the Explanatory Memorandum is in the best interests of non-associated Duxton Farms Shareholders.

The Duxton Farms Independent Expert has concluded for both Resolutions 3 and 4 are not fair but reasonable, and therefore in the best interests of all non-associated Duxton Farms Shareholders. The principal reason given for the not fair element of the conclusion is that the Independent Experts have followed an accounting standard which would value the Merger Companies at their net asset value, which is lower than the offer prices which have been made to the Merger Companies by the Duxton Farms Independent Directors, some of which were based on discounted cash flow modelling undertaken in consultation with independent corporate advisors. Duxton Farms Independent Directors regard this as a natural difference between valuation purposes, noting that offers at net asset value would not have been realistically considered.

A complete copy of the Duxton Farms Independent Expert's Report is included as Annexure A of this Explanatory Memorandum.

### **How to Vote**

Your vote on the Resolutions is important, and I encourage you to attend the meeting, which will be held in person at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000 at 14:00 on 10 October 2025. Information on how to vote is set out in the Notice of Meeting.

### **Further Information**

You should carefully read this Explanatory Memorandum in its entirety before making any decision in relation to the Resolutions. If you are in any doubt about what you should do, please consult your financial, legal, tax or other professional adviser without delay.

The Board will be available to answer shareholder questions at the Extraordinary General Meeting, although I encourage all interested Shareholders to refer to the following documents given that the Board will have limited time to answer questions and will devote more time to considerations not already addressed in the below:

- The presentation released to the ASX on 26 June 2025 titled Merger and Placement Presentation;
- The document released to the ASX on 26 June 2025 titled Strategic Merger to acquire four private companies to increase the scale of Duxton Farms portfolio and \$4.0 million Placement;
- The document released to the ASX on 30 June 2025 titled Duxton Farms upsizing of Placement to \$4.55 million;
- The recording of the investor webinar details for which were included in a document released to the ASX on 8 July 2025 titled Investor Webinar and Investor/Media Contact Details; and,
- The Duxton Farms Annual Report for the financial year ending 30 June 2025 released to the ASX on 7 August 2025.

If you have any queries for the Directors of Duxton Farms, please reach out to Mel Singh at [melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au).

Please contact Helen Karlis at [helen.karlis@sodali.com](mailto:helen.karlis@sodali.com) for any media enquiries.

## **Conclusion**

In undertaking this transaction, the Board of Duxton Farms aim to create a truly unique value proposition in providing investors with exposure to a cross section of the Australian agricultural industry. The Directors' goal is to create a scalable investment platform that builds upon the work that has been achieved across Duxton Farms and the Merger Companies to date that unlocks sustained value creation throughout the agricultural cycle and generates sustainable economic returns to shareholders well into the future.

On behalf of the Duxton Farms Directors, I look forward to your attendance at the meeting.

A handwritten signature in black ink, appearing to be 'R. Triggs', with a stylized, flowing script.

**Rachel Triggs**

Deputy Chair of Duxton Farms

Chair of the Due Diligence Committee

# Explanatory Memorandum

## Overview

This Explanatory Memorandum is provided to Duxton Farms Shareholders to explain the Resolutions to be put to Duxton Farms Shareholders at the Meeting to be held at 2pm (Adelaide time) on Friday, 10 October 2025 (**Meeting**).

The Duxton Farms Directors recommend that Duxton Farms Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in the Glossary in section 16.

## Conditionality of Resolutions

Resolution		Description
1	Approval to issue Duxton Farms Shares to the EP Placement Entity	<p>The EP Placement will settle on (and is subject to) implementation of the Merger.</p> <p>This Resolution 1 is conditional on the Merger but is not conditional on any other Resolution.</p>
2	Approval to issue Duxton Farms Shares to Richard Magides	<p>The RM Placement will settle on (and is subject to) implementation of the Merger.</p> <p>This Resolution 2 is conditional on the Merger but is not conditional on any other Resolution.</p>
3 & 4	Approval to acquire a substantial asset from the EP 10.1 Entities and Richard Magides	<p>The Merger is conditional on approval by Duxton Farms Shareholders of Resolutions 3 and 4.</p> <p>While the Merger is conditional on a number of other matters, these Resolutions 3 and 4 (and therefore, the Merger) are not conditional on Resolutions 1, 2, 5 or 6.</p>
5	Approval to issue certain Duxton Farms Shares to Duxton Capital Investments	<p>These Duxton Farms Shares will be issued to Duxton Capital Investments in consideration for the acquisition by Duxton Farms of ordinary shares held by Duxton Capital Investments in Duxton Bees and Duxton Walnuts under the respective Ordinary Share SPAs, should the Schemes in respect of a Successful Combination of Merger Companies become Effective (which is conditional on the approval of Resolutions 3 and 4). If Resolutions 3 and 4 are approved, but Resolution 5 is not approved by Duxton Farms Shareholders, Duxton Capital Investments will receive the equivalent value of the ordinary shares in each Merger Company in cash.</p>
6	Approval to amend the Investment Management Agreement	<p>Amendment of the Investment Management Agreement is not conditional on any of Resolutions 1 – 5, and those Resolutions are not conditional on Resolution 6.</p>

## 1. Background and Frequently Asked Questions

Question	More Information
<p><b>Why have I received this Explanatory Memorandum?</b>  This Explanatory Memorandum has been sent to you because you are a Duxton Farms Shareholder and you are being asked to vote on the Resolutions at the Meeting. The Resolutions are either:</p> <ul style="list-style-type: none"> <li>• conditions precedent to the Merger or being proposed to facilitate Implementation of the Schemes (Resolutions 1-5); or</li> <li>• relate to the ongoing business operations of the company, and is independent of whether the Schemes are implemented or not (Resolution 6).</li> </ul> <p>This Explanatory Memorandum is intended to help you to consider and decide on how to vote on the Resolutions at the Meeting.</p>	N/A
<b>Overview of Merger</b>	
<p><b>What is the Merger?</b>  The Merger involves the proposed acquisition by Duxton Farms of each Merger Company by way of separate schemes of arrangement under Part 5.1 of the Corporations Act between each Merger Company and its Scheme Shareholders and share purchase agreements between Duxton Farms and Duxton Capital Investments, the sole ordinary shareholder in each of the Merger Companies.</p> <p>The Merger is a compelling transaction for Duxton Farms and the Merger Companies, furthering Duxton Farms' strategic objectives through enhancing diversification and scale across permanent horticulture, viticulture and apiary, and providing exposure to an alternate asset class with a track record of strong returns.</p> <p>The Merger is expected to deliver approximately \$298 million in additional pro forma gross assets (as at 31 December 2024) to Duxton Farms, creating an agricultural player of scale with over:</p> <ul style="list-style-type: none"> <li>• 180,000 hectares of land (owned &amp; leased); and</li> <li>• 32,000 megalitres of water entitlements (owned &amp; leased).</li> </ul>	Section 3
<p><b>Is the Merger conditional on the Resolutions?</b>  The approval of Resolutions 3 and 4 are conditions precedent to each Scheme under the respective Scheme Implementation Agreements, meaning they are conditions to the Merger proceedings.</p> <p>The Merger does not require approval of Resolutions 1, 2, 5 or 6 for it to proceed.</p>	N/A
<p><b>What is required for the Schemes to become Effective and the Merger to proceed?</b>  The Scheme of a Merger Company will become Effective if:</p> <ul style="list-style-type: none"> <li>• the Scheme is approved by the requisite majorities of the Merger Company Shareholders at the Scheme Meeting;</li> <li>• the Court approves the Scheme at the Second Court Hearing and the Court order is lodged with ASIC; and</li> <li>• all other conditions precedent applicable to the Scheme are satisfied or waived, including the approval of Resolutions 3 and 4 by Duxton Farms Shareholders.</li> </ul>	N/A

Question	More Information
The Merger will complete if the Schemes in respect of a Successful Combination of Merger Companies become Effective. <sup>1</sup>	
<p><b>What are the other disclosure documents associated with the Merger?</b></p> <p>In addition to this Explanatory Memorandum each Merger Company has prepared and issued a scheme book in respect of its Scheme. At each Scheme Meeting, the Merger Company Shareholders of the relevant Merger Company will vote on the relevant Scheme, the approval of which is a condition precedent to each Scheme.</p>	N/A
<b>The Merged Group</b>	
<p><b>What is the Merged Group?</b></p> <p>If the Schemes in respect of a Successful Combination of Merger Companies become Effective, and if all ordinary shares in those Merger Companies are acquired under the Ordinary Share SPAs, each acquired Merger Company will become a wholly owned subsidiary of Duxton Farms.</p> <p>The objective of the Merger is to create a large and diversified investment platform with exposure to a range of geographies, commodities and production systems.</p> <p>Duxton Farms seeks to create a larger, more investable business with greater visibility on the ASX than Duxton Farms currently has and a less concentrated, more diverse share register than any of the Merger Companies, which may open a pathway for greater liquidity for Duxton Farms Shareholders and Scheme Shareholders and greater access to capital for the Merged Group.</p>	Section 8.2
<p><b>What will be the Merged Group's operations?</b></p> <p>The Merged Group's operations will, in the first instance, be similar to those of Duxton Farms and the Merger Companies, though likely regrouped under the following categories:</p> <ul style="list-style-type: none"> <li>• cropping including dryland cropping and irrigated cropping;</li> <li>• viticulture including dried fruits;</li> <li>• livestock &amp; apiary including sheep, cattle and bees; and</li> <li>• horticulture including orchards.</li> </ul> <p>The portfolio of the Merged Group will produce or provide over twelve commodities and services and will have a footprint spanning 180,000 ha in at least five states and territories.</p>	Section 8.3
<p><b>Who will the directors and senior management of the Merged Group be?</b></p> <p>It is intended that the Duxton Farms Board and senior management will remain following Implementation of the Schemes.</p> <p>The most notable change in senior management of the Merged Group is the introduction of the Chief Operating Officer role, which will be provided by the Investment Manager as part of its remit. Simon Stone will be the Chief Operating Officer who will be responsible for overseeing the successful integration of the Merger Companies post Implementation and execution of Duxton Farms' intentions in respect of the Merged Group. He will likely remain in this position for between 12 and 24 months, after which time Duxton Capital will undertake a full talent search to find an appropriately qualified long-term Chief Operating Officer.</p>	Section 8.5(a)

<sup>1</sup> A Successful Combination of Merger Companies is one or two combinations, being (a) all Merger Companies or (b) Duxton Bees, Duxton Dried Fruits and Duxton Walnuts.



Question	More Information
<p><b>Who will own the Merged Group post Implementation?</b></p> <p>The Merged Group post Implementation of the Schemes will be owned by existing Duxton Farms Shareholders and Scheme Shareholders in each Merger Company. Refer to the illustrative table at section 3.3 and section 8.4 which for further detail regarding who will own the Merged Group post Implementation of the Schemes.</p>	Section 8.4
<p><b>What is the Merged Group's dividend framework?</b></p> <p>The Duxton Farms Board has not adopted a formal dividend policy, although has in the past indicated that its long-term objective is to pay between 40% and 60% of free cash flow as dividends. It is the intention of the Duxton Farms Board that the Merged Group will continue to adopt the current framework, noting payment of free cash flow as dividends is unlikely to occur until a greater proportion of the Merged Group's asset base reaches productive maturity and regular earnings are being generated by the Merged Group.</p>	Section 8.6(d)
<b>Recommendations and intentions</b>	
<p><b>What has the Independent Expert concluded?</b></p> <p>In respect of Resolution 3, the Independent Expert has concluded that the EP 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders.</p> <p>In respect of Resolution 4, the Independent Expert has concluded that the RM 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders.</p> <p>In respect of Resolution 6, the Independent Expert has concluded that the proposed amendments to the Investment Management Agreement are fair and reasonable to the non-associated Duxton Farms Shareholders.</p>	Annexure A and Annexure B
<p><b>What are the risks associated with the Merger?</b></p> <p>The Merger is subject to several key risks. Further details on these risks are detailed in section 13.</p>	Section 13
<p><b>What if I have further questions about the Merger?</b></p> <p>If you have any questions in relation to the Merger, you can contact Investor Support by emailing <a href="mailto:invest@duxtonam.com">invest@duxtonam.com</a> or by calling 61 8 8130 9500.</p> <p>The Investor Support line will be monitored between Monday and Friday from 8.30am to 5.30pm (Adelaide time) (excluding public holidays) until the date of the Scheme Meetings.</p>	
<p><b>What do the Duxton Farms Directors of recommend and how do the Duxton Farms Directors intend to vote?</b></p> <p>In respect of Resolution 1, Duxton Farms Directors (excluding Ed Peter) recommend that Duxton Farms Shareholders <b>vote in favour</b> of the Resolution and intend to vote, at the Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest.<sup>2</sup></p> <p>In respect of Resolution 2, the Duxton Farms Directors recommend that Duxton Farms Shareholders <b>vote in favour</b> of the Resolution and intend to vote, at the</p>	Sections 3.10, 11.3, 12.1(f), 12.2(e), 12.4(e) and 12.5(f)

<sup>2</sup> The Duxton Farms Directors note that the Placement is conditional on the Merger proceeding and therefore will not complete if Resolutions 3 and 4 are not approved by Duxton Farms Shareholders. Refer to the recommendations in respect of those Resolutions in section 3.10.

Question	More Information
<p>Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest.<sup>3</sup></p> <p>In respect of Resolutions 3 and 4, Duxton Farms Directors and independently, the Duxton Farms Sub-committee, unanimously recommend the Duxton Farms Shareholders <b>vote in favour</b> of Resolutions 3 and 4 and intend to vote, at the Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest, except to the extent they are unable to vote or their vote is excluded. This is subject, in each case, to the Independent Expert continuing to conclude that the transactions contemplated by Resolutions 3 and 4 are not fair but reasonable (or revising the conclusion in respect of Resolution 3 and/or Resolution 4 to fair and reasonable) to non-associated Duxton Farms Shareholders.</p> <p>In respect of Resolution 5, the Duxton Farms Sub-committee unanimously recommends that Duxton Farms Shareholders <b>vote in favour</b> of the Resolution and intend to vote, at the Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest, except to the extent they are unable to vote or their vote is excluded.</p> <p>In respect of Resolution 6, the Duxton Farms Sub-committee unanimously recommends that Duxton Farms Shareholders <b>vote in favour</b> of the Resolution and intend to vote, at the Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest, except to the extent they are unable to vote or their vote is excluded. This is subject, in each case, to the Independent Expert continuing to conclude that the proposed amendments to the Investment Management Agreement are fair and reasonable (or revising the conclusion to not fair but reasonable) to non-associated Duxton Farms Shareholders.</p> <p>When considering the above recommendations in respect of the Resolutions, Duxton Farms Shareholders should note the interests of the Duxton Farms Directors in Duxton Farms, the Merger Companies and the Investment Manager as set out in sections 14.1(b), 14.1(c) and 11.3, respectively.</p>	
<b>Key considerations to vote</b>	
<p><b>Why might I consider voting in favour of, or against, the Resolutions?</b></p> <p>The Duxton Farms Board and independently the Duxton Farms Sub-committee believe the transactions contemplated by the Resolutions to be attractive for Duxton Farms Shareholders.</p> <p>Advantages and disadvantages of the Merger and the proposed amendments to the Investment Management Agreement which may be relevant to Duxton Farms Shareholders' decision on how to vote on the Resolutions are set out in sections 3.11 and 11.4, respectively.</p>	<p>Sections 3.11 and 11.4</p>
<p><b>What happens if the Resolutions are approved?</b></p> <ul style="list-style-type: none"> <li>If <b>Resolution 1</b> is approved, Duxton Farms will be able to issue 400,000 Duxton Farms Shares to the EP Placement Entity under the EP Placement to raise \$500,000 (before costs), subject to the Merger proceeding.</li> <li>If <b>Resolution 2</b> is approved, Duxton Farms will be able to issue 2,000,000 Duxton Farms Shares to Richard Magides under the RM Placement to raise \$2,500,000 (before costs), subject to the Merger proceeding.</li> </ul>	<p>Section 12</p>

<sup>3</sup> The Duxton Farms Directors note that the Placement is conditional on the Merger proceeding and therefore will not complete if Resolutions 3 and 4 are not approved by Duxton Farms Shareholders. Refer to the recommendations in respect of those Resolutions in section 3.10.

Question	More Information
<ul style="list-style-type: none"> <li>• If <b>Resolution 3</b> is approved, Duxton Farms will be able to proceed with the EP 10.1 Acquisition as part of the implementation of the Merger, subject to the other conditions precedent to each Scheme being satisfied or waived in accordance with the terms of the relevant Scheme Implementation Agreement.</li> <li>• If <b>Resolution 4</b> is approved, Duxton Farms will be able to proceed with the RM 10.1 Acquisition as part of the implementation of the Merger, subject to the other conditions precedent to each Scheme being satisfied or waived in accordance with the terms of the relevant Scheme Implementation Agreement.</li> <li>• If <b>Resolution 5</b> is approved, Duxton Farms will be able to issue 1,250,368 Duxton Farms Shares to Duxton Capital Investments, in accordance with the terms of the Ordinary Share SPAs, as consideration for the acquisition by Duxton Farms of ordinary shares it holds in Duxton Bees and Duxton Walnuts, rather than paying cash for those ordinary shares.</li> <li>• If <b>Resolution 6</b> is approved, Duxton Farms will be able to amend the Investment Management Agreement on the terms set out in section 11.</li> </ul>	
<p><b>What happens if the Resolutions are not approved?</b></p> <ul style="list-style-type: none"> <li>• If <b>Resolution 1</b> is not approved, Duxton Farms will not be able to issue Duxton Farms Shares to the EP Placement Entity under the EP Placement, and the gross funds to be raised under the EP Placement totalling \$500,000 will not be available for use by Duxton Farms</li> <li>• If <b>Resolution 2</b> is not approved, Duxton Farms will not be able to issue Duxton Farms Shares to Richard Magides under the RM Placement, and the gross funds to be raised under the RM Placement totalling \$2,500,000 will not be available for use by Duxton Farms</li> <li>• If <b>Resolution 3</b> is not approved, Duxton Farms will not be able to proceed with the EP 10.1 Acquisition. This means Duxton Farms will not be able to satisfy the conditions precedent to each Scheme and therefore, the Merger will not proceed and Duxton Farms will not acquire the Merger Companies.</li> <li>• If <b>Resolution 4</b> is not approved, Duxton Farms will not be able to proceed with the RM 10.1 Acquisition. This means Duxton Farms will not be able to satisfy the conditions precedent to each Scheme and therefore, the Merger will not proceed and Duxton Farms will not acquire the Merger Companies.</li> <li>• If <b>Resolution 5</b> is not approved, Duxton Farms will not be able to proceed with the DCI 10.11 Issue for Merger Company Ordinary Shares and Duxton Capital Investments will receive cash consideration in the amount of \$256,353 for the ordinary shares it holds in Duxton Bees (being \$0.31 per Duxton Bees ordinary share) and \$1,304,584 for the ordinary shares it holds in Duxton Walnuts (being \$0.93 per Duxton Walnuts ordinary share).</li> <li>• If <b>Resolution 6</b> is not approved, Duxton Farms will not amend the terms of its Investment Management Agreement with Duxton Capital.</li> </ul>	Section 12
<b>Meeting</b>	
<p><b>When and where will the meeting be held?</b></p> <p>The Meeting will be held at 2pm (Adelaide time) on Friday, 10 October 2025 at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000.</p>	N/A

Question	More Information
<p><b>What will the Duxton Farms Shareholders be asked to vote on at the meeting?</b></p> <p>At the Meeting, the Duxton Farms Shareholders will be asked to vote on the Resolutions.</p>	N/A
<p><b>Am I entitled to vote at the Meeting?</b></p> <p>If you are registered as a Duxton Farms Shareholder on the Duxton Farms Share Register at 6.30pm (Adelaide time) on Thursday, 9 October 2025, you will be entitled to attend and vote at the Meeting.</p>	N/A
<p><b>How can I vote if I cannot attend the Meeting?</b></p> <p>If you would like to vote but cannot attend the Meeting in person, you can vote by appointing a proxy or attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.</p>	N/A
<p><b>How do I vote at the Meeting?</b></p> <p>If you are a Duxton Farms Shareholder entitled to vote at the Meeting, you may vote at the Meeting in the following ways:</p> <ul style="list-style-type: none"> <li>by attending the Meeting in person at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000 at 2pm (Adelaide time) on Friday, 10 October 2025; or</li> <li>by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Meeting on your behalf.</li> </ul> <p>Full details of how to vote at the Meeting and how to lodge a Proxy Form, corporate representative appointment or power of attorney are set out in the Annexure D.</p>	N/A
<p><b>Is voting compulsory?</b></p> <p>Voting is not compulsory. However, for the transactions contemplated by the Resolutions set out in this Explanatory Memorandum to proceed, it is necessary that a sufficient numbers of Duxton Farms Shareholders vote in favour of the Resolutions.</p>	N/A
<b>Placement</b>	
<p><b>What is the Placement?</b></p> <p>The Placement is a conditional fully underwritten placement of Duxton Farms Shares to new and existing sophisticated investors to raise up to \$4,548,000 (before costs) through the issue of approximately 3,638,400 new Duxton Farms Shares at the price of \$1.25 per Duxton Farms Share.</p>	Section 10
<p><b>What are the components of the Placement and what are the conditions to those components proceeding?</b></p> <p>The Placement is comprised of:</p> <ul style="list-style-type: none"> <li>the General Placement, being the issue of 1,238,400 Duxton Farms Shares to certain institutional and other exempt investors using Duxton Farms' existing placement capacity under Listing Rule 7.1 to raise approximately \$1.55 million. The General Placement is not subject to Duxton Farms Shareholder approval, but it is conditional on the Merger proceeding.</li> </ul>	Section 10.1

Question	More Information
<ul style="list-style-type: none"> <li>the RM Placement, being the issue of 2,000,000 Duxton Farms Shares to Richard Magides. The RM Placement is conditional on Duxton Farms Shareholders approving Resolution 2 and the Merger proceeding.</li> <li>the EP Placement, being the issue of 400,000 Duxton Farms Shares to the EP Placement Entity. The EP Placement is conditional on Duxton Farms Shareholders approving Resolution 1 and the Merger proceeding.</li> </ul>	
<p><b>Is the Placement underwritten?</b></p> <p>The Placement is fully underwritten by Morgans Corporate Limited ACN 010 539 607 and Bell Potter Securities Limited ACN 006 390 772 (<b>Lead Managers</b>) pursuant to the underwriting agreement between Duxton Farms and the Lead Managers dated 26 June 2025 as amended by the amending deed dated 30 June 2025 (<b>Underwriting Agreement</b>).</p>	Section 10.2
<p><b>What are the proposed use of funds for the Placement?</b></p> <p>Net proceeds of the Placement (along with cash at hand and existing facilities) will be used to contribute to funding Duxton Farms' strategic objectives, including the cash component of the Merger and Duxton Farms' existing development projects. Section 10.3 provides further detail on Duxton Farms' existing development projects.</p>	Section 10.3
<b>Investment Manager and Investment Management Agreement</b>	
<p><b>Who is the Investment Manager?</b></p> <p>The Investment Manager is Duxton Capital, an Australian asset manager based in South Australia with significant experience in agricultural asset management, and a related body corporate. The Investment Manager has been responsible for managing Duxton Farms under the Investment Management Agreement since Duxton Farms' listing in 2018. The Investment Manager is indirectly controlled by Ed Peter, a director of Duxton Farms.</p>	Section 11.1
<p><b>What is the Investment Management Agreement?</b></p> <p>The Investment Management Agreement is an agreement under which Duxton Farms appoints Duxton Capital to provide investment management services to Duxton Farms.</p>	Section 11
<p><b>What are the key proposed changes to the Investment Management Agreement?</b></p> <p>A summary of the key proposed amendments to the Investment Management Agreement is set out in greater detail in section 11.2</p> <p>Generally, the proposed amendments relate to the term of the Investment Management Agreement, fees payable under the Investment Management Agreement, termination rights, key persons, investment guidelines and the schedule of services provided by Duxton Capital to Duxton Farms.</p>	Section 11
<p><b>Are the proposed changes to the Investment Management Agreement a condition to the Merger proceeding?</b></p> <p>No, the approval of Resolution 6 by Duxton Farms Shareholders, which concerns the amendments to the Investment Management Agreement, is not a condition to the Merger proceeding.</p>	N/A

## 2. What should you do?

### 2.1 Step 1: Read this Explanatory Memorandum

You should carefully read this Explanatory Memorandum in its entirety (including the Duxton Farms Independent Expert's Report) before deciding whether to vote in favour of the Resolutions.

If you have any questions, please contact Duxton Farms' share registry, Computershare Investor Services Pty Limited by calling 1800 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between Monday and Friday from 8:30am to 7:00pm (AEST).

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

### 2.2 Step 2: Vote on the Resolutions

#### (a) Who is entitled to vote?

If you are registered on the Duxton Farms Share Register at 6.30pm (Adelaide time) on Thursday, 9 October 2025, you will be entitled to vote on the Resolutions.

#### (b) Notice of Meeting

The Meeting to approve the Resolutions is scheduled to be held in person at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000 with a livestream to be made available via a link which Duxton Farms will share with its shareholders via the ASX Announcements Platform at a date closer to the Meeting. Voting at the Meeting is not available via the livestream and must occur by one of the means listed at 2.2(c) below.

#### (c) How to vote?

Duxton Farms Shareholders may vote:

- **in person**, by attending the Meeting in person at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000.
- **by proxy**, by completing and submitting the Proxy Form for the Meeting (which accompanies this Explanatory Memorandum as Annexure D) in accordance with the instructions set out in the proxy form or by submitting a Proxy Form online at [www.investorvote.com.au](http://www.investorvote.com.au). To be valid, your Proxy Form must be received by the Duxton Farms share registry by 2pm (Adelaide time) on Wednesday, 8 October 2025.
- **by attorney**, by appointing an attorney to attend and vote at the Meeting on your behalf and providing a duly executed power of attorney to the Duxton Farms Share Registry by 2pm (Adelaide time) on Wednesday, 8 October 2025.
- **by corporate representative**, in the case of a body corporate which is a Duxton Farms Shareholder, by appointing a corporate representative to attend and vote at the Meeting on behalf of that Duxton Farms Shareholder and providing a duly executed 'Appointment of Corporate Representative' form (in accordance with section 250D of the Corporations Act) prior to the Meeting.

Further details on how to vote are set out in the Notice contained on in the section 'How to Vote' on page 7.

### 3. Overview of the Merger

#### 3.1 Background to the Merger

On 26 June 2025, Duxton Farms announced its proposal to acquire the following four Australian private companies operating in walnuts, dried fruits, orchards and bees (**Merger**):

- Duxton Dried Fruits Pty Ltd;
- Duxton Dairies (Cobram) Pty Ltd (referred to as Duxton Walnuts);
- Duxton Bees Pty Ltd; and
- Duxton Orchards Pty Ltd,

(each a **Merger Company** and together the **Merger Companies**) by means of separate schemes of arrangement under Part 5.1 of the Corporations Act between each Merger Company and its Scheme Shareholders (each a **Scheme** and together the **Schemes**) and share purchase agreements between Duxton Farms and Duxton Capital Investments, the sole ordinary shareholder in each of the Merger Companies (each an **Ordinary Share SPA** and together the **Ordinary Share SPAs**).

The form of the Scheme Implementation Agreement entered into by each Merger Company (with key factual differences between the executed versions noted in that form) is included in Schedule D to the Transaction Announcement.

The Merger will proceed if the Schemes become Effective in respect of all four Merger Companies, or in respect of the three Merger Companies - Duxton Dried Fruits, Duxton Walnuts and Duxton Bees.<sup>4</sup>

If the Merger proceeds, Scheme Shareholders will receive the Scheme Consideration (comprising Duxton Farms Shares (with an issue price of \$1.25 per Duxton Farms Share), with the ability to make an election to receive up to 20% of the Scheme Consideration as Cash Consideration).

Assuming that all Scheme Shareholders of all Merger Companies receive the Default Scrip Consideration (comprising 100% Duxton Farms Shares), there will be approximately 118.2 million Duxton Farms Shares on issue, with approximately 69.2 million Duxton Farms Shares (58.5%) being issued to Scheme Shareholders as the Default Scrip Consideration and approximately 49.0 million shares (41.5%) held by the current Duxton Farms Shareholders.<sup>5</sup>

The Merger is scheduled to complete in October 2025, subject to satisfaction (or waiver) of the conditions under each Scheme Implementation Agreement, including approval of the Scheme by the respective Scheme Shareholders, certain approvals of Duxton Farms Shareholders (being approval of Resolutions 3 and 4 set out in this Explanatory Memorandum), necessary FIRB approvals and Court approval (see Appendix A of the Transaction Announcement).<sup>6</sup>

If Resolutions 3 and 4 are not approved by Duxton Farms Shareholders, then the Merger will not proceed and Duxton Farms will continue to operate as a standalone company without owning the Merger Companies.

---

<sup>4</sup> Each of these two combinations of Merger Companies are referred to in the scheme implementation agreements as a Successful Combination of Entities. If the Schemes are not approved in respect of one of these Successful Combination of Entities, the Merger will not proceed and no Merger Companies will be acquired in the manner proposed.

<sup>5</sup> Assumes the Placement completes on Implementation of the Schemes.

<sup>6</sup> In the event the conditions under a Scheme Implementation Agreement are not satisfied by 31 December 2025, then either Duxton Farms or the relevant Merger Company may terminate the Scheme Implementation Agreement to which they are party unless otherwise agreed.



### 3.2 Merger rationale

The Merger is a compelling transaction for Duxton Farms and the Merger Companies, furthering Duxton Farms' strategic objectives through enhancing diversification and scale across permanent horticulture, viticulture and apiary, and providing exposure to an alternate asset class with a track record of strong returns. The Merger:

- creates an agricultural investment platform of scale, increasing Duxton Farms' gross assets to over \$298 million on a pro forma basis as at 31 December 2024 as announced on 26 June 2025 in the Transaction Announcement, enhancing its scale, and positioning it as a more attractive investment opportunity for a broader range of investors;
- seeks to diversify Duxton Farms' portfolio across new geographies, commodities, and production systems, and derisk the earnings profile relative to the current portfolio;
- benefits from an attractive mix of mature operating businesses and greenfield projects, providing both immediate cash flow opportunities and long-term growth potential; and
- brings together an experienced operations team and a track record of value creation.<sup>7</sup>

### 3.3 Pro forma capital structure

The expected impact on the capital structure of Duxton Farms from the Placement and Merger is illustrated in the table below.<sup>8</sup>

Particulars	Date of this Explanatory Memorandum	Change due to Placement	Merger Companies acquired		Merger Companies acquired	
			Change due to Merger (80% Scrip) <sup>6</sup>	After the Merger + Placement	Change due to Merger (100% Scrip) <sup>7</sup>	After Merger + Placement <sup>8</sup>
Duxton Farms ordinary shares <sup>1</sup>	45,415,307	3,638,400	55,571,232	104,624,939	69,151,449	118,205,156
Existing Shareholders of Duxton Farms <sup>2</sup>	18,486,774 (40.71%)	1,238,400	-	19,725,173 (18.83%)	-	19,725,175 (16.66%)
Richard Magides <sup>2</sup>	16,312,447 (35.92%)	2,000,000 <sup>3</sup>	6,490,913	24,803,360 (23.71%)	8,113,641	26,426,088 (22.36%)
Ed Peter <sup>3</sup>	10,644,466 (23.38%)	400,000 <sup>4</sup>	4,131,846	15,176,312 (14.51%)	4,852,215	15,896,681 (13.45%)
Other shareholders of Merger Companies <sup>4</sup>	-	- <sup>5</sup>	44,948,474	44,948,474 (42.96%)	56,185,592	56,185,592 (47.53%)

#### Notes

1. Represents all Duxton Farms Shares on issue (including for those entities referred to in Notes [2] and [3] below) on completion of each stage represented in the table on the basis of the stated assumptions.
2. Excludes entities referred to in Notes [3] and [4] below. Existing Shareholders of Duxton Farms may also be shareholders of the Merger Companies and to the extent they receive shares as part of the Merger, this is reflected in 'Other shareholders of the Merger Companies'.

<sup>7</sup> Further details on the strategic rationale of the Merger are on page 17 of the Investor Presentation.

<sup>8</sup> To the extent that any shareholder or group of shareholders acquires or disposes of shares after the date of this Explanatory Memorandum there may be impacts to the metrics set out in this table.



3. Reflects Richard Magides' interests. Assumes Richard Magides receives Duxton Farms' Shareholder approval to take up \$2.5 million under the RM Placement.
4. Reflects Ed Peter's direct interests and indirect interests through shareholdings of the Peter Family Trust, BNP Paribas NOMS Pty Ltd and Duxton Capital Investments. Stephen Duerden, a director of Duxton Farms, has an indirect interest through the Duerden Family Trust and his minority interest in Duxton Capital Investments. Assumes the EP Placement Entity receives Duxton Farms Shareholder approval to take up \$500,000 under the EP Placement.
5. Excludes entities referred to in Notes [3] and [4] above that are shareholders in the Merger Companies.
6. Assumes that 'Other shareholders of Merger Companies' who are Duxton Farms Shareholders do not participate in the General Placement.
7. "80% Scrip" assumes all preference shareholders in the Merger Companies elect to receive 20% of their consideration in cash. In the 80% Scrip scenario, if Duxton Orchards is not acquired as part of the Merger, Duxton Farms Shares would be reduced by 642,863 shares, with 170,974 in respect of which Richard Magides has an interest issued to entities referred to in Note [2], 167,209 in respect of which Ed Peter has an interest issued to entities referred to in Note [3], and 304,679 issued to Other shareholders of Merger Companies.
8. "100% Scrip" assumes no preference shareholders in the Merger Companies elect to receive their consideration in cash. In the 100% Scrip scenario, if Duxton Orchards is not acquired as part of the Merger, Duxton Farms Shares would be reduced by 803,579 shares, with 213,718 in respect of which Ed Peter has an interest issued to entities referred to in Note [2], 209,012 in respect of which Ed Peter has an interest issued to entities referred to in Note [3], and 380,849 issued to Other shareholders of Merger Companies.
9. On the basis the Placement issue price and Merger Company scrip shares issue price is \$1.25 per share.

The table in section 3.3 provides an illustration of the capital structure of Duxton Farms at the date of this Explanatory Memorandum, and if the Merger is implemented and completion of the Placement occurs.

### 3.4 Acquisition funding and Scheme Consideration

#### (a) Overview

This section outlines how Duxton Farms intends to fund the Scheme Consideration.

The aggregate equity value of the Merger Companies is \$102.9 million, comprising an equity value of \$48.1 million for Duxton Dried Fruits, \$21.6 million for Duxton Walnuts, \$32.2 million for Duxton Bees and \$1.0 million for Duxton Orchards. The value of Duxton Farms' existing preference shares in the Merger Companies is \$16.5m. The total Scheme Consideration payable to Scheme Shareholders is up to \$84.9 million and \$1.563m consideration under the Ordinary Share SPAs.<sup>9</sup>

In consideration for their preference shares in the relevant Merger Company, Scheme Shareholders will be offered the Scheme Consideration (comprising Duxton Farms Shares (with an issue price of \$1.25 per Duxton Farms Share) (**Default Scrip Consideration**), with the ability to make an election to receive up to 20% of the Scheme Consideration in cash) (**Election Scheme Consideration**).

In consideration for the ordinary shares in Duxton Bees and Duxton Walnuts, Duxton Capital Investments will receive 201,897 Duxton Farms Shares and 1,048,471 Duxton Farms Shares respectively, subject to Duxton Farms Shareholders approving Resolution 5 (with no consideration payable for ordinary shares it holds in Duxton Dried Fruits and Duxton Orchards). If Resolution 5 is not approved by Duxton Farms Shareholders, Duxton Capital Investments will receive cash in the amount of \$256,353 for the ordinary shares it holds in Duxton Bees (being

---

<sup>9</sup> Assumes that all Merger Companies are acquired by Duxton Farms. If Duxton Orchards is not acquired by Duxton Farms, the total Scheme Consideration payable to Scheme Shareholders of Duxton Bees, Duxton Dried Fruits and Duxton Walnuts is up to \$83.9 million.

\$0.31 per Duxton Bees ordinary share) and \$1,304,584 for the ordinary shares it holds in Duxton Walnuts (being \$0.93 per Duxton Walnuts ordinary share).

Section 3.3 provides the expected impact on the capital structure of Duxton Farms from the Placement and the Merger. Section 8.4 provides further information as to the ownership of the Merged Group if Implementation of the Schemes occurs.

**(b) Cash component**

The maximum amount of the cash consideration that Duxton Farms may be required to pay to Scheme Shareholders under the Schemes is approximately \$17.0 million in aggregate as specified in the table below:

Merger Company	Minimum cash consideration	Maximum cash consideration
Duxton Bees	\$0.00	\$4,866,543
Duxton Dried Fruits	\$0.00	\$7,853,261
Duxton Orchards	\$0.00	\$200,895
Duxton Walnuts	\$0.00	\$4,054,571
Total	\$0.00	\$16,975,270

Duxton Farms intends to fund the cash consideration through a combination of existing cash reserves, existing debt facilities and from the net funds raised from the Placement.

**(c) Scrip consideration**

Subject to any rounding for fractional entitlements made in accordance with the Schemes, the total number of Duxton Farms Shares issued as Scheme Consideration will be calculated in the manner set out in this section 3.4(c).

Scheme Shareholders will receive Duxton Farms Shares (priced at \$1.25 per Duxton Farms Share) with the result that they will receive, for each of their preference shares in a Merger Company, the number of Duxton Farms Shares calculated by dividing their Merger Company's agreed share price (being \$0.91 for Duxton Dried Fruits, \$1.05 for Duxton Bees, \$1.84 for Duxton Walnuts and \$0.05 for Duxton Orchards) by \$1.25). If a Scheme Shareholder chooses to get some of their Scheme Consideration in cash (up to 20%), the number of new shares they receive will be reduced by that same percentage. Instead, they will get cash equal to that percentage multiplied by the agreed share price for each of their preference shares in the Merger Company.

Based on the assumption that all Merger Companies are acquired by Duxton Farms and the Scheme Shareholders receive 100% Duxton Farms Shares as consideration, the maximum number of Duxton Farms Shares issued as Scheme Consideration is expected to be 69,151,448. Based on the assumption that all Scheme Shareholders receive 20% of their Scheme Consideration as cash consideration and the balance as Duxton Farms Shares the minimum number of Duxton Farms Shares issued as Scheme Consideration is expected to be 55,571,232.

Merger Company	Minimum number of Duxton Farms Shares issued as scrip consideration	Maximum number of Duxton Farms Shares issued as scrip consideration
Duxton Bees	15,774,836	19,668,070

Merger Company	Minimum number of Duxton Farms Shares issued as scrip consideration	Maximum number of Duxton Farms Shares issued as scrip consideration
Duxton Dried Fruits	25,130,435	31,413,043
Duxton Orchards	642,863	803,579
Duxton Walnuts	14,023,099	17,266,756
Total	55,571,232	69,151,448

Shares issued as consideration under the Merger to directors of the Merger Companies and larger Scheme Shareholders (i.e., Scheme Shareholders who are issued 200,000 or more Duxton Farms Shares as consideration under the Merger) are to be escrowed through operation of the Schemes and the Ordinary Share SPAs<sup>10</sup>. Further details on these escrow arrangements are in 15.

### 3.5 Scheme Books

Each Merger Company issued a Scheme Book to their respective Merger Company Shareholders, which includes the explanatory statement for the Scheme proposed by that Merger Company required by section 412(1) of the Corporations Act (each a **Scheme Book** and together the **Scheme Books**). Each Scheme Book will be accessible at <https://www.duxtonfarms.com/investor-centre>

### 3.6 Indicative timetable for Merger

Duxton Farms anticipates implementation of the Merger in accordance with the following timetable:

Event	Date*
Dispatch of Scheme Books by Merger Companies and Notice of Meeting by Duxton Farms	Thursday, 4 September 2025
Meeting of Duxton Farms Shareholders	2pm on Friday, 10 October 2025
Scheme Meetings of Merger Company Shareholders	Friday, 10 October 2025
Indicative date the amended Investment Management Agreement effective (following Resolution 6 being passed)	Friday, 10 October 2025
Second Court Hearing Orders sought to approve the Schemes	10.15am (Sydney time) on Tuesday, 21 October 2025
Scheme Effective Date Court orders lodged with ASIC	Tuesday, 21 October 2025

<sup>10</sup> Subject to certain exceptions accepted by Duxton Farms before implementation of the Merger for Duxton Farms Shares received by licensed trustees, custodians or nominees which are held on behalf of investors who would not receive 200,000 or more Duxton Farms Shares if those Duxton Farms Shares were issued to them in their own name – for further details refer to the schemes of arrangement which form schedules to the SIA in Schedule D to the Transaction Announcement.

Event	Date*
Implementation of the Schemes (including completion of the EP 10.1 Acquisition and RM 10.1 Acquisition the subject of Resolutions 3 and 4, respectively).	Thursday, 30 October 2025
Date on which the Schemes will be implemented, and the Scheme consideration will be provided to Merger Company Shareholders	
Settlement and issue of Duxton Farms Shares under the Placement (including settlement of the EP Placement and the RM Placement the subject of Resolutions 1 and 2, respectively).	

\*These dates are indicative and subject to variation. Duxton Farms reserves the right to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws. All times and dates are in reference to Adelaide, Australia time.

### 3.7 Deed poll

Duxton Farms has, in respect of each Scheme, entered into a Deed Poll in favour of each Scheme Shareholder, pursuant to which Duxton Farms has undertaken to, subject to the Scheme becoming Effective:

- provide or procure the provision of the Scheme Consideration to each Scheme Shareholder; and
- undertake or procure the undertaking of all other actions, and give each acknowledgment, representation and warranty (if any) attributed to it under the Scheme,

in accordance with the terms of the Scheme.

### 3.8 Acquisition of ordinary shares in Merger Companies

Duxton Farms will acquire all the ordinary shares in each Merger Company under the Ordinary Share SPAs from Duxton Capital Investments, a company controlled by Ed Peter, contemporaneously and conditional on Implementation of the Schemes.

The ordinary shares in Duxton Dried Fruits and Duxton Orchards will be acquired for nil consideration while those in Duxton Bees and Duxton Walnuts will be acquired for 201,897 Duxton Farms Shares<sup>11</sup> and 1,048,471 Duxton Farms Shares<sup>12</sup> respectively .

The issue of Duxton Farms Shares to Duxton Capital Investments is subject to approval by Duxton Farms Shareholders of Resolution 5. If Resolution 5 is not approved by Duxton Farms Shareholders, Duxton Capital Investments will receive cash consideration in the amount of \$0.31 per ordinary share in Duxton Bees and \$0.93 per ordinary share in Duxton Walnuts.

Duxton Farms must, in the case of Duxton Bees and Duxton Walnuts, issue Duxton Farms Shares as scrip consideration (or, if Resolution 5 is not approved by Duxton Farms Shareholders, pay the cash consideration pursuant to the terms of the Ordinary Share SPAs) and ensure the Duxton Farms Shares issued to Duxton Capital Investments are fully paid and listed on the ASX.

Any scrip consideration issued to Duxton Capital Investments will be subject to the escrow arrangements described in section 15.

<sup>11</sup> Reflects an implied price of \$0.31 per ordinary class share in Duxton Bees.

<sup>12</sup> Reflects an implied price of \$0.93 per ordinary class share in Duxton Walnuts.

### 3.9 Conflicts of interest and related party transactions policy

Duxton Farms, the Investment Manager and each Merger Company is party to a conflicts of interest and related party transactions policy in relation to the Merger (**Conflicts Policy**).

The Conflicts Policy, in particular, outlines processes for identifying, reporting and managing conflicts of interest which were identified as potentially arising in relation to the Merger and:

- establishes a framework for identifying actual, perceived or potential conflicts of interest during the period prior announcement and up to completion of the Merger;
- sets out protocols to be followed to promote the effective identification, reporting and management of conflicts of interest which arise during that period; and
- facilitates the consideration and execution of transactions forming part of the Merger in accordance with applicable laws and duties, particularly those transactions between persons who have conflicting interests or who are related parties.

Pursuant to the Conflicts Policy, board sub-committees were established for Duxton Farms, each Merger Company and the Investment Manager, comprised of directors who were not also a director of another of those companies. Each board sub-committee was responsible, among other matters, for evaluating the Merger and negotiating the terms of each Merger, or overseeing their team and advisers in doing so, on behalf of their respective entities.

The Duxton Farms Sub-committee is comprised of independent Duxton Farms Directors Mark Harvey, Paul Burke, Wade Dabinett and Rachel Triggs. The other Duxton Farms Directors, Ed Peter and Stephen Duerden, were not part of the Duxton Farms Sub-committee due to their directorship of the Investment Manager and certain Merger Companies, as well as the interest of entities associated with them in the Investment Manager and certain Merger Companies.<sup>13</sup>

### 3.10 Duxton Farms Directors' unanimous recommendation and voting intention

The Duxton Farms Directors and independently, the members of the Duxton Farms Sub-committee, unanimously recommend the Merger and that Duxton Farms Shareholders vote in favour of Resolutions 3 and 4 and intend to vote, at the Meeting, all of the Duxton Farms Shares they hold or in which they have a Relevant Interest in favour of Resolutions 3 and 4 (being those Resolutions that are conditions to the Merger proceeding), except to the extent they are unable to vote or their vote is excluded.<sup>14</sup>

The above is subject, in each case, to the independent expert for Duxton Farms continuing to conclude that the transactions contemplated by Resolutions 3 and 4 are not fair but reasonable (or revising the conclusion in respect of Resolution 3 and/or Resolution 4 to fair and reasonable) to non-associated Duxton Farms Shareholders.

### 3.11 Advantages and disadvantages of the Merger

The Duxton Farms Board and independently, the Duxton Farms Sub-committee, believe that the proposed Merger is attractive for Duxton Farms Shareholders. The Duxton Farms Directors and independently the Duxton Farms Sub-committee have reached their recommendation in respect of the Resolutions relating to the Merger set out at section 3.10 having regard to, among other factors, the advantages and disadvantages of the Merger set out in this section 3.11.

---

<sup>13</sup> Refer to section 14.1(c) for further details.

<sup>14</sup> When considering this recommendation, Duxton Farms Shareholders should note the interests of the Duxton Farms Directors in Duxton Farms and the Merger Companies as set out in sections 14.1(b)) and 14.1(c)), respectively.

The Duxton Farms Board and independently the Duxton Farms Sub-committee, consider the following advantages and disadvantages may be relevant to Duxton Farms Shareholders' decision on how to vote on Resolutions 1-5, as they relate to, or are conditional on, the Merger.

(a) **Advantages**

You may consider the following factors are advantages:

- **Unanimous recommendation to vote in favour from Duxton Farms Directors and the Duxton Farms Sub-committee:** Each Duxton Farms Director and independently, the members of the Duxton Farms Sub-committee, unanimously recommend that Duxton Farms Shareholders vote in favour of the Resolutions 3 and 4 (being those Resolutions on which the Merger is conditional), in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the EP 10.1 Acquisition and the RM 10.1 Acquisition are not fair but reasonable (or revising the conclusion in respect of the EP 10.1 Acquisition and/or the RM 10.1 Acquisition to fair and reasonable) to non-associated Duxton Farms Shareholders.
- **Potential to unlock synergies and efficiencies:** The Merged Group will have the potential to unlock synergies and efficiencies which, if realised, may create additional value for Duxton Farms Shareholders and deliver potential for stronger returns than Duxton Farms could achieve on a standalone basis.
- **Shift into higher yield assets:** The Merger will create exposure to permanent horticulture, viticulture and apiary with Duxton Farms becoming a significant domestic producer of walnuts and dried grapes. This shift into higher yield agricultural assets is expected to elevate Duxton Farms' earnings potential and create more predictable cash flows over time.
- **Diversified portfolio of land and water assets:** Duxton Farms' balance sheet post-Merger will be backed by a high-quality portfolio of productive agricultural land and water assets, with exposure to new geographies, production systems and commodities. This diversification and scale seeks to derisk the earnings profile relevant to Duxton Farms' current portfolio.
- **Attractive mix of maturing and greenfield projects:** The Merger Companies have taken an aggregate 20+ years to establish/develop with a mix of maturing operating assets expected to drive near term cash flow opportunities and early stage growth opportunities expected to establish an attractive platform for growth.
- **Lead to the creation of one of Australia's most significant ASX-listed diversified agriculture portfolios:** Duxton Farms is Australia's only listed mixed farming enterprise with direct exposure to a full operation business. The Merger is expected to facilitate a more diverse share register and a larger investment platform and provide exposure to an alternative asset class with low correlation to traditional markets and a track record of strong returns. Refer to section 8.2 for a discussion on the further potential benefits of the Merged Group.
- **Facilitates internalisation of corporate functions:** The Merger will increase the size and scale of Duxton Farms' balance sheet, facilitating the internalisation into Duxton Farms of certain corporate functions currently arranged by its Investment Manager (see section 8.2(e) for further details and the advantages of internalisation).
- **High quality operations team:** Post-Merger Duxton Farms will be a mixed farming agricultural enterprise with an experienced operations team and a track record of value creation. The Merger seeks to bring in existing operational expertise where appropriate, expanding the breadth and depth of the operations team. This will be complemented by further investments by Duxton Farms in corporate management and board talent.

(b) **Disadvantages**

You may consider the following factors are disadvantages:

- **Unanimous recommendations:** Notwithstanding the unanimous recommendation of the Duxton Farms Directors and the Duxton Farms Sub-committee to vote in favour of the Resolutions relating to the Merger as described above, you may believe that the Merger is not in your best interests.

- **Selldown pressure:** Duxton Farms Shareholders who are not in favour of the Merger may seek to sell their Duxton Farms Shares. Depending on the supply and demand for the Duxton Farms Shares, post-Merger selling may place downward pressure on the Duxton Farms Share price in the short term.
- **Dilution in existing Duxton Farms Shareholders' proportional ownership in Duxton Farms:** Merger Company Shareholders will hold between approximately 53.1%<sup>15</sup> and 58.5%<sup>16</sup> of Duxton Farms on completion of the Merger (depending on the extent of cash elections made by Merger Company Shareholders) and assuming the Placement proceeds. This represents a dilution of the existing Duxton Farms Shareholders' proportional ownership in Duxton Farms.
- **Exposure to Merger Companies:** The acquisition of the four Merger Companies into one Merger Group introduces risks as Duxton Farms will expand significantly into new sectors being dried fruits, walnuts, apiary and apples, diversifying away from Duxton Farms' traditional broadacre and dryland cropping operations. Operating across different commodities, geographies and asset types will expose Duxton Farms to risks to which it is not currently exposed. This includes risks inherent in operating these businesses, their integration and ongoing management and successfully executing their business strategies. Further information on these risks is contained in Annexure E to the Investor Presentation. If these risks eventuate, this may have an adverse impact on Duxton Farms' position, performance and prospects.
- **Shares issued at a discount to net asset value:** There is a common practice of measuring the share prices of publicly listed companies with asset-heavy balance sheets against their net asset values. While the Merger has the potential to improve Duxton Farms' long-term earnings prospects over time, Duxton Farms Shareholders should note that the Merger involves issuing Duxton Farms Shares to Scheme Shareholders at \$1.25 per Duxton Farms Share. This price represents a 47.7% discount to Duxton Farms' statutory net asset value as at 30 June 2025 (noting that \$1.25 per share represents a premium of 27.6% to Duxton Farms' share price of \$0.98 as at 1 September 2025).

## 4. Information about Duxton Bees

### 4.1 About Duxton Bees

Duxton Bees is a vertically integrated apiary business which owns and manages over 8,000 beehives in Australia. Founded in 2020, Duxton Bees has grown to become one of the largest apiary businesses in Australia, with primary operations in honey production and sales, pollination services, and varroa mite management.

Duxton Bees has been established as a consolidating entity in the apiary subsector of the Australian agricultural economy, which has been a fragmented cottage industry. The apiculture industry in Australia is characterised by a large number of small beekeepers who operate without the scale and resources to meet some of the industry's largest challenges, notably the spread of varroa mite. Duxton Bees has intentionally positioned itself as a well-resourced corporate entity with visibility through the pollination services industry across the eastern states.

---

<sup>15</sup> Assumes that all Merger Companies are acquired by Duxton Farms, all Scheme Shareholders are issued 80% Election Scrip Consideration, that 1,250,368 Duxton Farms Shares are issued as consideration under the Ordinary Share SPAs and that the Placement completes in full on Implementation. If Duxton Orchards is not acquired, the aggregate holding in Duxton Farms of Scheme Shareholders of Duxton Walnuts, Duxton Bees and Duxton Dried Fruits would be at least approximately 52.8% immediately following Implementation, assuming that all their respective Scheme Shareholders are issued the Default Scrip Consideration, that 1,250,368 Duxton Farms Shares are issued as consideration under the Ordinary Share SPAs and that the Placement completes in full on Implementation.

<sup>16</sup> Assumes that all Merger Companies are acquired by Duxton Farms, all Scheme Shareholders are issued Default Scrip Consideration, that 1,250,368 Duxton Farms Shares are issued as consideration under the Ordinary Share SPAs and that the Placement completes in full. If Duxton Orchards is not acquired, the aggregate holding in Duxton Farms of Scheme Shareholders of Duxton Walnuts, Duxton Bees and Duxton Dried Fruits would be up to approximately 58.2% immediately following Implementation, assuming that all their respective Scheme Shareholders are issued the Default Scrip Consideration, that 1,250,368 Duxton Farms Shares are issued as consideration under the Ordinary Share SPAs and that the Placement completes on Implementation.



Duxton Bees manages its beehives on strategically located apiaries across South Australia, Victoria, New South Wales and Queensland, through licences on government owned sites and by informal agreements with private landholders.

Duxton Bees owns a property in Wentworth, New South Wales, where hives are stored and rested, and a property in Pallamana, South Australia, where the business has a honey extraction and processing facility.

## 4.2 Apiary industry overview

### (a) Overview

The Australian beekeeping industry comprises of operators who keep bees, collect honey, beeswax, other bee products and offer pollination services to agricultural businesses.

Most operations are located along the east coast, as the region offers more consistent levels of annual rainfall than other areas of Australia. The growth of pollination services by the apiary industry has, however, seen an increase in beekeeping businesses in South Australia and Victoria over recent years, due to the high concentration of almond orchards in these states.

The market is highly fragmented with no individual beekeeping business currently accounting for more than 5% market share. Consolidation of participants is expected as the market experiences structural shifts due to the impact of the varroa mite (as discussed below).

### (b) Industry Growth

Strong domestic and foreign demand for premium honey products and the spread of varroa mite has boosted honey prices and increased demand for pollination services over recent years.

The reported health benefits from premium honey products and the continued spread of varroa mite are expected to support demand for honey and pollination services, into the future. These trends will underpin industry revenue growth from approximately \$286 million in 2024 to approximately \$304 million by 2029.

### (c) Varroa Mite

Varroa mite is a parasitic mite that survives and reproduces using honeybees. It was first detected in Australia in Newcastle, New South Wales in 2022 and has since spread across the state and was detected in Victoria in August 2024. Varroa mites are expected to eradicate most wild and recreational honeybee hives within the medium term. These wild and recreational hives have historically provided free pollination to many agriculture and horticulture producers.

Recreational beekeepers and wild honeybees play a key role in honey production and pollination in Australia. The eradication of these industry participants will require material changes to the current honey production and pollination methods industry wide.

In New Zealand and the United States, as varroa mite destroyed wild and recreational beehives, retailers and farmers relied on large-scale commercial beekeepers capable of supplying high production volumes for their honey and pollination requirements. This trend led to significant changes across the beekeeping sectors in both countries, with notable changes including sharp rises in prices for pollination services and commercial beekeepers acquiring hives from recreational beekeepers to scale operations and corporatise their business model.

### (d) Honey Pricing and Supply

Commercial and recreational beekeepers and honey importers are the main suppliers of honey in Australia. The industry has seen a significant increase in honey supplied by both recreational and commercial beekeepers following the COVID-19 pandemic, with the number of hives increasing by 67% and 18%, respectively, from 2018 to 2023.



Honey production per hive is estimated to vary between 35kg and 75kg per hive industry-wide. However, some beekeepers on the east coast of Australia have historically reported yields of up to 280kg per hive.

In 2023, the average farmgate price for honey was approximately \$5.00 per kg, well below the price in 2019 (approximately \$6.50 per kg). This drop in price is believed to be due to the influx of recreational beekeepers who have increased honey supply and placed downward pressure on prices. However, as the spread of varroa mite advances, shortages in honey supply are predicted to occur, which is expected to raise prices.

### 4.3 Duxton Bees' operations

Historically, Duxton Bees relied on two core business activities for revenue generation, being honey and wax sales, and pollination services. Over FY22 and FY23, revenue was fairly balanced across these operations, while in FY24, the pollination services business grew substantially, accounting for approximately 89% of total revenue. With the business continuing to grow, Duxton Bees' core business operations have now expanded to comprise the following five activities:

#### (a) Pollination and pollination services

Duxton Bees provides primary pollination, hive auditing and broking services. Duxton Bees supplies its owned beehives for pollination and engages third party beekeepers to meet customer demands for pollination that exceeds Duxton Bees' capacity. Duxton Bees earns a fee per hive supplied under these broking arrangements, which is shared with the relevant third-party beekeepers in accordance with the agreed broking arrangements.

Duxton Bees also provides auditing services, whereby Duxton Bees will conduct an audit of brokered third-party beehives to ensure the contracted number of frames and hives are being delivered to the relevant pollination customer.

#### (b) Bulk honey production for wholesale

Duxton Bees extracts honey produced from its beehives at its extraction facility in Pallamana, South Australia and sells it in bulk to purchasers who blend, bottle and distribute it to the market. Duxton Bees' wholesale dealings are built on long-term relationships within the industry.

#### (c) Honey for retail sale (Fuzzy Bum brand)

Duxton Bees produces, extracts, packages and sells honey from its beehives under its retail brand, Fuzzy Bum, launched in 2024. Fuzzy Bum is sold online and through certain mid-sized supermarkets.

#### (d) Apiary site and hive purchases and licensing

Duxton Bees purchases beehives and bee colonies and licenses them to government owned apiary sites. These licences allow Duxton Bees to either deploy and manage its own beehives directly on these licensed sites or lease the licences to third party beekeepers within the industry for seasonal use.

When Duxton Bees leases the licences to third parties, Duxton Bees may also provide value-added services, including the purchase of honey produced on site and the supply of disease management products.

During 2024 and 2025, Duxton Bees acquired over 5,000 beehives and 547 licences to government owned apiary sites. These acquisitions are expected to increase Duxton Bees' total honey production capacity to approximately 650 tonnes in FY26 and the number of beehives available for primary pollination to over 8,000.

(e) **Biodiversity credit project**

Duxton Bees owns approximately 5,000 hectares (**ha**) of land in the Wentworth region of New South Wales, previously used for pastoral activities. Duxton Bees has registered six bee sites on the property which it utilises for wintering before almond pollination. Through participation in the NSW Biodiversity Offsets Program, Duxton Bees is exploring opportunities to generate biodiversity credits, which can be sold on the secondary market.

## **5. Information about Duxton Dried Fruits**

### **5.1 About Duxton Dried Fruits**

Duxton Dried Fruits is one of Australia's largest producers of dried fruits, with a total of approximately 603 ha of vineyard plantings in the Sunraysia region of Victoria and New South Wales.

The business was established in 2017 with the acquisition of a greenfield vineyard asset in Euston, New South Wales, which was followed by the acquisition of a brownfield vineyard asset in Wemen, Victoria. From 2018 to 2020, Duxton Dried Fruits planted out the Euston vineyard over three stages, with minor additions and replanting at the Wemen vineyard in 2022 and 2023.

Both the Euston and Wemen vineyard assets are now fully planted, and Duxton Dried Fruits is currently at approximately 60% of its full production potential, with the majority of greenfield development targeted to reach maturity over the next five years.

Duxton Dried Fruits produced 2,199 tonnes of dried grapes in FY24, representing approximately 18% of national production, which increased by 68% to 3,700 tonnes in FY25. Production is expected to continue increasing in future years as greenfield vineyard plantings reach maturity.

The Australian dried fruit industry is in a significant supply and demand imbalance, with up to 20,000 tonnes of product being imported each year. Already being one of Australia's largest dried fruit producers with a nationally significant footprint, Duxton Dried Fruits is well positioned to capitalise on this imbalance and further consolidate its position in the industry.

### **5.2 Dried Fruits industry overview**

(a) **Overview**

Dried grapes (sultanas/raisins) are a segment of the Australian viticultural industry along with wine grapes and table grapes. Australia's dried grape sector produces around 10,000 tonnes annually, with the majority being used for domestic consumption. Despite having a reasonably large production base and a reputation in the global market for high quality exports, Australia is a net importer of dried grapes, which largely come from Turkey.

Dried grapes are produced primarily for the snack food market, but also have uses in cooking, baking and winemaking, where they can be used to create fortified wines. Production is highly specialised, with a focus on maintaining high quality standards for both domestic and international markets. Growers typically prefer red grapes over white grapes for table and dried grape production due to consumer perception of relative health benefits. Farmers that supply grapes to dried fruit processors tend to be concentrated in the Barossa Valley region of South Australia and the Sunraysia region of Victoria.

(b) **Key Markets**

Australian dried fruit growers largely supply large food processors. These entities then sell on to wholesalers, supermarkets and export markets.

This market has maintained consistent popularity as consumer preference shifts towards convenience and perceived health benefits, although some consumers shy away from overly processed fruit products.

(c) **Dried Fruit Production**

The high quality of Australia's dried grapes, and characteristics such as flavour, size, colour, and adherence to rigorous food safety standards command some of the highest price premiums in the world.

For the financial year ending June 2024, Australia's dried grape production was valued as \$19.5 million, after producing 9,745 tonnes (approximately \$2,000 per tonne).

Australia is a net importer of dried grapes, importing 23,229 tonnes in the financial year ending June 2024, equating to a wholesale value of \$61.5 million (approximately \$2,648 per tonne).

The majority of Australian dried grapes goes towards local supply (approximately 69% in 2024), with the balance mainly sent to export markets.

The different growing regions do not provide for an extended harvest window, with dried grapes harvested between February and April, but it can be furthered by controlled atmosphere storage technologies.

(d) **Operating conditions**

Due to years of drought and high-water prices experienced from 2018 to 2020, as well as mechanisation and competition from the wine grape/table grape sectors, the dried fruit industry has witnessed a shift to large corporations accounting for most of the production, as individual growers exit the industry. There are now an estimated 300 to 400 dried fruit growers in Australia, compared to the 2,000 to 3,000 producers in the 1990s.

Challenging growing conditions in recent years coupled with increasing input costs have resulted in reduced farmgate returns, leading to a number of producers ceasing to irrigate vineyards and exiting the industry, or converting to higher value crops.

(e) **Main dried grape varieties**

Australia's dried grape production is heavily concentrated in five varieties, with sun muscat and sultana comprising 69% of production.

## 5.3 Duxton Dried Fruits operations

As a farmgate producer, Duxton Dried Fruits focuses solely on the cultivation and harvesting of dried grapes, without engaging in value-added processes. The harvesting method is predominantly mechanised and seasonal, involving a two-stage process of slashing (cutting and wetting) followed by machine harvesting.

Duxton Dried Fruits specialises in the production of eight varieties of dried grapes, with a significant focus on Sun muscat and Sultana, which together, account for over a third of the company's production.

Duxton Dried Fruits' principal activities are supported by offtake agreements with the two large industry processors ensuring a revenue stream for the business together with assisting to mitigate risks associated with having one key purchaser of 100% of harvested products.

## 6. Information about Duxton Orchards

### 1.1 About Duxton Orchards

Established in 2016, Duxton Orchards is the second-largest producer of apples in South Australia and one of the largest independent growers in Australia. Duxton Orchards' core business involves production, storage and sale of apples to packing and distribution businesses, typically on year-to-year horticultural produce agreements with some year-to-year volume rebates. Duxton Orchards primarily focuses on non-proprietary varieties including Pink Lady (which accounts for approximately 41% of Australian domestic production), Granny Smith, and

Royal Gala. Duxton Orchards only supplies to the South Australian apple packers, accounting for approximately 20% of South Australia's apple supply.

Duxton Orchards operates two sites, a freehold orchard in Loxton and a leased orchard in Nangwarry (leased through to 2040), as well as a leased controlled atmosphere storage facility in Monarto.

Duxton Orchards has seen significant yield growth since 2016, driven by improvements in orchard management, logistics optimisation, and cost control. Despite challenging market conditions, including declining prices and a consolidation of production in Victoria, Duxton Orchards has adapted under new management and continues to build on its strong asset base and market position to support future growth.

## 6.1 Apple industry overview

Duxton Orchards operates within a fragmented and highly competitive South Australian apple market, predominantly made up of subscale growers, many of whom hold less than 20 ha, accounting for around 80% of South Australia's apple producers. This landscape limits individual bargaining power, as grocery retailers and distributors maintain strong pricing leverage. However, this fragmentation presents a potential opportunity for industry consolidation, which could help improve farmgate pricing, drive efficiencies, and strengthen the position of growers in the supply chain.

Despite these challenges, Duxton Orchards is well positioned to benefit from the relatively constrained supply of apples in South Australia, particularly when compared to the more saturated markets on the eastern seaboard. Nationally, the Australian apple and pear industry comprises over 400 commercial growers, with a total planted area of approximately 9,625 ha in 2020 to 2021, showing a slight year-on-year increase. Industry trends indicate that new plantings are increasingly focused on managed or club varieties, reflecting a shift toward premium, branded offerings.

The apple industry in Australia was valued at over \$680 million for the June 2023 to May 2024 production year, underscoring its economic importance and the scale of opportunity for well-structured, growth-oriented operators.

## 6.2 Duxton Orchards operations

As a farmgate producer,<sup>17</sup> Duxton Orchards focuses on the sustainable cultivation of mature apple orchards while managing the sales and distribution of fruit through third-party packers.

The apple growing season begins in June, with post-harvest treatments applied as the trees enter dormancy. Pruning takes place in July to encourage new bud development and to shape the canopy, supporting optimal tree size and fruit colour. Flowering and pollination occur around September, followed by chemical and mechanical thinning during summer to manage fruit size and quality.

Apples are harvested manually, starting in January with early-season Gala varieties and continuing through to April, finishing with Pink Lady apples in Loxton. Other varieties are harvested throughout this period.

Duxton Orchards' core growing operations are supported by annual strategic sales agreements with pack sheds. Working closely with these facilities, Duxton Orchards sells fruit at optimum market timing. Unsold apples are stored and managed at the Monarto storage facility, enabling year-round supply to meet consistent supermarket demand.

It should be noted that the landlord of Duxton Orchards' Nangwarry property has made allegations that the tenant under the lease (being a wholly owned subsidiary of Duxton Orchards) is in breach of the lease. The allegations relate to the rectification of outstanding issues such as

---

<sup>17</sup> A farmgate producer is a farmer or grower who sells their produce directly to consumers from the place it was grown or made — typically at the farm itself or a nearby outlet

the removal of all rubbish from the property, ensuring adequate water supply to the property and the purported failure to cause additional nets to be constructed over the orchard as required under the lease. Duxton Orchards has obtained legal advice on the matter. Duxton Orchards has refuted the allegations and is engaging with the landlord on the issue, but there is a risk that the dispute could result in litigation, the payment of damages, the termination of the Nangwarry lease or a combination of these outcomes.

It should also be noted that since the announcement of the Merger on 26 June 2025, a third party has approached Duxton Orchards in relation to a potential transaction and is undertaking due diligence on Duxton Orchards. As at 1 September 2025, that potential transaction had not progressed to form a competing proposal for Duxton Orchards. If there are developments relating to that potential transaction prior to Duxton Farms' Extraordinary General Meeting that need to be disclosed, then Duxton Farms will notify the Duxton Farms Shareholders in accordance with its continuous disclosure obligations under ASX Listing Rule 3.1. It should be noted the Merger is not conditional on Duxton Farms' acquiring Duxton Orchards and in the event Duxton Orchards does receive a superior proposal, the Merger and acquisition of Duxton Walnuts, Duxton Bees and Duxton Dried Fruits may still proceed if all other conditions precedent are satisfied.

## 7. Information about Duxton Walnuts

### 1.1 About Duxton Walnuts

Duxton Walnuts is a developing walnut orchard based in the Southern Riverina area of New South Wales.

Duxton Walnuts was established in 2014 with the acquisition of two dairy properties. These properties were operated as dairies until 2020, when Duxton Walnuts sold one property and embarked on a strategy to develop the remaining property, Yarramundee, into a walnut plantation. The dairy operations of the Yarramundee property ceased in 2024.

The property covers 1,126.16 ha, with approximately 600 ha of land suitable for conversion to walnut orchards. It also has a 250 megalitre (**ML**) dam, a sand quarry (operated by an external party, from which Duxton Walnuts receives rental income), and remnant vegetation.

Duxton Walnuts owns 4,009 ML of groundwater entitlements and 699.4 ML of surface water via a long-term lease. Duxton Walnuts also has access to approximately 175ML of supplementary water via dam capture. Total water availability of 4,883 ML accounts for approximately 84% of Duxton Walnuts' estimated annual water needs at full planting maturity of 584 ha (assuming 10 ML/ha).

Duxton Walnuts undertook a feasibility assessment to determine the most appropriate type of crop to develop at the Yarramundee property. The assessment investigated an array of nut varieties, and it concluded that a walnut crop would be best suited to the property's climate and soil.

Duxton Walnuts' strategic objective is to capitalise on its abundant water resources and suitable climate for walnut production by fully converting the land to its most productive use. Development of the walnut orchard has commenced, with 40 ha planted in 2023 (stage 1) and 105 ha planted in 2024 (stage 2). As at June 2025, 145 ha had been planted in aggregate.

### 7.1 Walnuts industry overview

#### (a) Background

Australian walnut production totalled approximately 12,000 metric tonnes (**MT**) in-shell in the year ending June 2024, with an estimated market value of \$72 million, of which approximately 90% was sold domestically.

Australia was a net importer of walnuts in 2024, having exported 992 MT of walnuts versus imports of 5,417 MT.

Australia's commercial walnut production is concentrated in Tasmania, Victoria, New South Wales and South Australia, with the Riverina region (New South Wales / Victoria) being a major hub. Walnuts are typically harvested from March through May in the southern hemisphere, providing counter cyclical supply to northern hemisphere markets, which generally harvest from August to October. This structural advantage has the effect of increasing demand from export markets and an overall positive impact on the industry.

**(b) Global production and consumption.**

The Australian walnut industry is relatively small compared to global producers China, the United States and Chile, which jointly account for approximately 84% of global production. Global walnut production in 2022/2023 amounted to nearly 1.2 million MT, kernel basis (2.6 million MT in shell basis), the largest volume of the past decade and more than double the crop size in 2012/2013.

The main exporters of walnuts are the United States with approximately 43% of global exports in the 2021 season, followed by Ukraine (approximately 11%) and Chile (approximately 10%). China accounts for only 6% exports, producing mainly for domestic consumption.

Global Walnut consumption increased by 21% from 2017 to 2021, with the largest consumer countries being China (41%), the United States (7%), and Turkey (5%). Global per capita consumption has also increased, from 0.125 kg per year in 2017 to 0.134 kg per year in 2021, a 7% increase over 4 years. Australian per capita walnut consumption averaged 0.3kg per year over the five years ending June 2022, more than twice global per capita consumption over the same period.

**(c) Supply and Demand**

The global walnut industry is shaped by a few dominant producers and steadily rising consumer demand. China and the United States account for the majority of global production, with China largely supplying its own domestic market, while the United States, particularly California, is the leading exporter. The sustainability of Californian supply is increasingly under pressure from water scarcity, regulatory constraints, and climate volatility, with Chile and Turkey having recently emerged as alternative exporters. As traditional producers face mounting challenges, there is a shift in attention toward stable growing regions with access to premium markets, efficient logistics and counter seasonal production.

Growing consumer demand for walnuts has been driven by a global pivot toward healthier eating, plant-based nutrition, and natural food products, with walnuts being particularly valued for their rich nutritional profile. Australia is uniquely positioned to take advantage of these trends, with counter seasonal harvest providing strong market access during Northern Hemisphere supply lulls, while its reputation for clean, safe, high-quality food enhances its competitiveness in the global market, particularly in Asia. As buyers increasingly prioritise traceability, quality, and reliability, Australia offers a compelling and strategic supply alternative to China, the United States, Chile and Turkey.

**(d) Pricing**

The most comparable global pricing indicator for Australian premium walnuts is Chilean Chandler walnuts and Californian Howard/Chandler walnuts. Chilean walnuts traded at \$6.60 per kg in February 2025, a 33% increase from the 12 month average price ending on December 2024.

California walnuts more than doubled in price from AUD \$2.52 per kg in December 2023 to AUD \$5.19 per kg in December 2024, and remained AUD \$5.16 per kg in February 2025 (based on average size pricing).

## **7.2 Duxton Walnuts operations**

In FY24, Duxton Walnuts divested its dairy herd and began converting the land to walnut production. Current operations focus on managing the 145 ha of orchard already established,



alongside planning for future development stages. During the transition period and while the trees mature, Duxton Walnuts generates revenue through cropping activities and royalties from its on-site sand quarry.

## 8. Information about the Merged Group

### 8.1 Introduction

The information contained in this section 8 has been prepared by Duxton Farms (other than information relating to a Merger Company that was provided by or on behalf of that Merger Company, which is contained in or used in the preparation of this section). The information concerning Duxton Farms and (subject to the same qualifications) the Merged Group, and the intentions, views and opinions contained in this section 8 are the responsibility of Duxton Farms. Although Duxton Farms believes that the views reflected in this section 8 have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.<sup>18</sup>

### 8.2 Overview of the Merged Group

#### (a) Summary

The objective of the Merger is to create a large and diversified agricultural investment platform with exposure to a range of geographies, commodities and production systems, and to establish a Merged Group that carries less risk with higher long-term earnings and capital growth potential than any of the Merger Companies individually. That is, Duxton Farms is pursuing the Merger to create value for key stakeholders beyond the sum of its parts by managing operating and market risks across the Merged Group and assessing potential operational synergies to create a platform for future growth with higher potential for earnings growth and capital appreciation. Duxton Farms seeks to create a larger, more investable business with a greater visibility on the ASX than Duxton Farms currently has and a less concentrated, more diverse share register than any of the Merger Companies, which may open a pathway for greater liquidity for Duxton Farms Shareholders and Scheme Shareholders and greater access to capital for the Merged Group.

The potential benefits of the Merged Group can broadly be grouped in the following broad categories which are expanded on below:

- operational diversification;
- operational synergies;
- knowledge sharing and internalisation;
- platform for future growth; and
- scale and access to capital.

#### (b) Background and context to Merger

Duxton Farms has been seeking to expand and broaden the scope and scale of its portfolio beyond broadacre farming and livestock in New South Wales since 2022. This decision was driven primarily by two factors: firstly, the 2022 Murray-Darling Basin floods in February and October of that year, which significantly and negatively impacted Duxton Farms' 2022 and 2023 full year results, demonstrating the risk inherent in a portfolio characterised by a geographically concentrated asset base; and secondly, by further land price appreciation across the portfolio occurring over a period where the prices of Duxton Farms' key commodities produced have remained broadly flat, creating yield compression on a larger scale. As a result, since listing Duxton Farms has experienced a strong uplift in the value of its portfolio as determined by independent third-party valuers while the portfolio itself has failed to generate positive earnings.

---

<sup>18</sup> For avoidance of doubt, none of the Merger Companies nor their respective officers and advisers assumes any responsibility for the accuracy or completion of the information in this section 8.



During this period Duxton Farms' share price has not kept pace with the performance of its underlying investment strategy, creating a wide disconnect between the value of Duxton Farms' net assets and its market capitalisation.

In order to address this issue, Duxton Farms has divested two of its largest dryland cropping properties, reducing exposure to a relatively volatile and weather-dependent production system while providing Duxton Farms with an opportunity to redeploy capital into development projects which may facilitate the Duxton Farms Board's strategic objectives of expanding and broadening the scope of operations and scale of the portfolio. Duxton Farms has focussed its investment strategy into greenfield development opportunities such as its Piambie pistachio orchard (currently in its third stage of planting) and its Northern Territory development assets (Mountain Valley and the Wildman Agricultural Precinct). While the Duxton Farms Board believes these projects have the potential to generate substantial value over time, they are expected to require time and resources to fully realise their full productive and earnings potential. As such, the Duxton Farms Board is seeking to accelerate this strategy in a manner through its strategic acquisition of the Merger Companies characterised by:

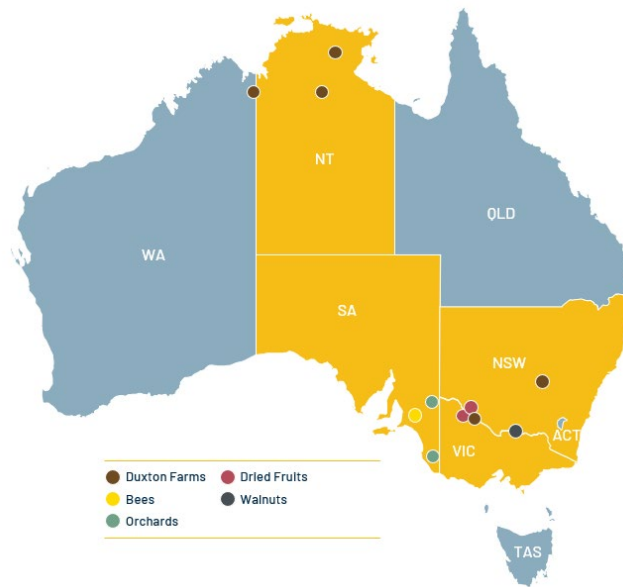
- a larger, less concentrated portfolio of greenfield, maturing and mature agricultural assets spread across Australia with a broad operating scope;
- a more stable earnings profile with diverse revenue streams and high growth potential;
- an expanded operations team which can share knowledge and resources;
- internal corporate functions, including inhouse finance, legal, human resources, and sustainability teams;
- greater purchasing and pricing power;
- a more diverse and less concentrated share register with greater liquidity; and
- better access to capital markets.

**(c) Operational Diversification**

Climate and weather risk are fundamental challenges for primary producers, with direct impacts (including lack of rain, crop loss due to flood/hail/fire, reduced or increased chill hours, etc.) and indirect (including disease, access difficulties, competition for inputs/services, etc.) for any agricultural business (see section 13.2 for further details to these risks). Geographic diversification is a key method for mitigating both the localised impacts of extreme and unpredictable weather events and the consequences of long-term climate change. The Merged Group will have assets in five states and territories with a range of production systems (i.e., dryland cropping, irrigated cropping, apiary, permanent horticulture, etc.) across both tropical and temperate regions in Australia. This is expected to assist in derisking Duxton Farms' earnings profile when compared with the status quo as the operating performance will be less dependent on conditions in any one area of the country.

Geographic and commodity diversification may also smooth out cash flows of Duxton Farms, given that in many single-commodity agricultural business it is common for cash to be generated in one period of the year (usually at or after harvest). This can heighten the risk around this period (as any operating issue at harvest will have a disproportionate impact on that business relative to other periods in the year) and can also make the business more dependent on external financing (see section 13.2 for further details as to these risks). The Merged Group is expected to benefit from staggered harvest and sales periods, resulting in operating cash flows

that may be less volatile than Duxton Farms could expect to achieve currently, which would be an immediate benefit for budgeting and risk management.



Similarly, the Merged Group will have more diversified revenue streams than Duxton Farms currently has with over twelve commodities and services sold to a broad range of customers, organised into the four major segments outlined below. Depending on seasonal conditions, these include, have included or are expected to include:

- cereal grains (notably wheat, barley and grain sorghum);
- legumes (notably chickpeas and field peas);
- fodder crops (notably hay, straw, silage, and improved pasture for livestock);
- oilseeds (notably canola);
- fibre products (notably cotton and wool);
- livestock (notably sheep and cattle);
- apiary services (notably pollination services, hive auditing and hive broking);
- honey;
- apples;
- dried grapes;
- pistachios (under development and not yet in production); and,
- walnuts (under development and not yet in production).

This assists to reduce the pricing risk associated with heavy exposure to any one commodity, market or customer, mitigating the risk of a market downturn in any one commodity, issues accessing any one specific market, and the counterparty risk in dealing with major customers. Australian agriculture has faced a number of challenges on this front recently (i.e., Chinese barley tariffs, unfavourable Australian apple pricing, etc.) and the Merged Group's diversified production base and revenue profile promotes a reduces volatility in earnings over the long-term, which in turn may allow the Merged Group greater strategic flexibility relative to Duxton Farms currently.

## FY24 PRO FORMA REVENUE SPLIT



### (d) Operational Synergies

Duxton Farms expects that Merged Group may be able to take advantage of operational synergies, which can generally be grouped as cost savings or revenue generation opportunities.

On the cost savings front, the Merged Group will seek to drive increased purchasing power, and from common resource stockpiling and sharing, notably for fuel, fertilisers, chemicals, water, seed, equipment, vehicles and machinery. It is relatively common for agricultural businesses to have capital tied up in plant and equipment or other inputs that are not utilised throughout the year (for example, a \$1 million cotton picker may only be used for a few weeks each season). The Merged Group will focus on enhanced utilisation of underutilised resources (i.e., tractors, harvesters, water entitlements, etc.) to reduce the capital intensity of the Merged Group's operations.

Duxton Farms also intends the Merged Group will consider vertical integration beyond the farmgate that can drive efficiencies associated with centralised processing facilities (i.e., cleaning, sorting, grading, packing, distribution).

Duxton Farms also believes there are opportunities to make savings on the combined cost of financing and insurance relative to the current combined pro forma costs of the Merger Companies, on the basis that the larger diversified portfolio has reduced operating risk.

Duxton Farms will also consider revenue generation opportunities associated with complementary operations (i.e., bee hives kept at permanent horticulture sites) and may be able to leverage existing customer relationships and partnerships across the portfolio to generate production and sales opportunities (i.e., multicommodity offtake agreements for complementary commodities).

Notwithstanding the above, the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information set out in section 9 does not assume any cost savings arising from these potential synergies and any cost savings will be incurred from Implementation of the Schemes for the benefit of Duxton Farms Shareholders.

### (e) Knowledge sharing and internalisation

There are a number of opportunities with the potential to drive sustained value creation at the Merged Group level by leveraging the knowledge and expertise embedded in the operations teams of each Merger Company across the wider portfolio of assets. While each operations team has been selected and developed to execute on a specific mandate with only a small amount of surface-level overlap, many of the underlying skills in planning, establishing, developing and operating the Merger Company assets have a wide range of applications across the portfolio. This is particularly relevant where those skills are highly specialised or difficult to find in the Australian labour market. Examples where this may be the case include:

- largescale commercial tree nut developments (i.e., the Piambie pistachio development has been partially overseen by Derek Goulet on contract);
- apiary and pollination services (i.e., management of bee hives on apples, vineyards and tree nuts may be overseen by Keegan Blignaut);
- physical irrigation infrastructure (i.e., largescale irrigation systems across a Merger Company may be planned and managed by Bryan Goldsmith);
- cropping and land management (i.e., annual cropping systems across the Merger Company may be managed by Bryan Goldsmith);
- sustainable farming practices and carbon credit generation (i.e., knowledge and experience in land management and carbon credit generation may be shared between Bryan Goldsmith, Glenn Carningham, Derek Goulet, Nathan Walker and Duxton Capital).

The increased size and scope of the portfolio also allows Duxton Farms greater scope to continue investing in talent, particularly in instances where investing in a certain skillset may not have been justifiable for a smaller business.

The Merger also facilitates the internalisation of certain corporate functions which have previously been provided by Duxton Capital outside of the scope of the Investment Management Agreement. The Merged Group is expected to benefit from bringing some employees of Duxton Capital inhouse, many of whom bring with them the experience of having established some of the Merger Companies and worked across this specific portfolio for a number of years up to the date of Implementation of the Schemes. This is expected to facilitate a transfer of valuable intellectual property from Duxton Capital into Duxton Farms which cannot be readily achieved using resources available in the wider labour market. The Merged Group is targeting lower overhead costs when taking into account professional services which were previously outsourced to, or arranged by, Duxton Capital, and the opportunity to build more efficient and specialised finance, human resources, legal, and sustainability functions which can be tailored to the needs of the Merged Group's investment and operating strategy.

See section 11 for further details on Duxton Farms' internalisation of corporate functions.

**(f) Platform for future growth**

One of the key objectives of the Merger is to create a portfolio with a balanced mix of greenfield, maturing and mature assets. The Merged Group is intended to provide exposure to projects which are expected to begin generating cash in the short-term (i.e., the dried fruits vineyards) and to development opportunities which are expected to create significant value as they reach maturity over a longer time horizon (i.e., the Piambie pistachio development). Achieving a balance between short-term earnings stability (i.e., mature assets) and long-term growth potential (i.e., greenfield assets) is core to the strategic rationale of the proposed Merger, and the Merged Group is expected to be in a better position to deliver on this objective than Duxton Farms as is.

## PORTFOLIO MATURITY PROFILE – TREES & CROPS

ASSETS AT VARIOUS STAGES OF MATURITY PROVIDING LONG-TERM GROWTH POTENTIAL

represents current stage of the project

Profile	Site Feasibility	Planting & Establishment	Ramp up	Productive Maturity	Exit / Redevelopment
Wildman	6 to 12 months	Up to ~500 - 1,000 hectares	1 to 3 years after clearing	3 years after fodder cropping system <sup>5</sup>	
Walnuts	6 to 12 months	Up to ~100 - 150 hectares	6 to 7 years after planting	7 to 35 years after planting	40+ years after planting
Pistachios	6 to 12 months	Up to ~100 - 150 hectares	9 to 12 years after planting	12 to 80 years after planting	80+ years after planting
Dried Fruits	6 to 12 months	Up to ~60 - 150 hectares	3 to 4 years after planting	4 to 25 years after planting	25+ years after planting
Orchards	6 to 12 months	Up to ~50 - 100 hectares	5 to 6 years after planting	6 to 20 years after planting	20+ years after planting

Once established, the Merged Group is also expected to be in an improved position to foster new development projects or facilitate further vertical and horizontal integration through bolt-on acquisitions to deliver on its mandate as a diversified agricultural investment platform. The Merged Group will seek to establish more robust operational foundations and greater strategic latitude through its increased scale and larger pool of shared resources, contributing to the fulfilment of many of Duxton Farms' strategic objectives.

### (g) Scale and access to capital

At Implementation of the Schemes, the share register of the Merged Group will be larger and less concentrated, with a more diverse set of shareholders. This may increase liquidity for Duxton Farms (particularly once Escrowed Shareholders exit their escrows), which may make the business a more investable proposition for institutional investors. Increased scale and liquidity may be a factor in addressing the historic discount between Duxton Farms' market capitalisation and its net asset value, which has been a key concern for the Duxton Farms Board and Duxton Farms Shareholders. If realised, greater scale and more liquidity in the share register may provide the Merged Group with further access to capital.

## 8.3 Operations of the Merged Group

The Merged Group's operations will, in the first instance, be similar to those of Duxton Farms and the Merger Companies, though likely regrouped under the following categories:

- cropping and livestock, including most of Duxton Farms' New South Wales portfolio, the establishment of annual cropping systems at its Northern Territory assets, and management of annual cropping systems at Duxton Walnuts;
- horticulture, including Duxton Walnuts' Yarramundee and Duxton Farms' Piambie developments, and Duxton Orchards' Loxton and Nangwarry assets (in addition to any further horticultural opportunities undertaken by the Merged Group);
- dried grapes, including Duxton Dried Fruits' Euston and Wemen vineyards; and
- apiary, comprising the operations of Duxton Bees.

This portfolio will produce or provide over twelve commodities and services and will have a footprint spanning 180,000 ha in at least five states and territories. Shareholders in the Merged Group will benefit from direct exposure to an asset backed portfolio comprised primarily of agricultural land and water entitlements, and the diversified operating business itself, which will benefit as and when combined productive potential of the portfolio is realised.

Investors should note that the Duxton Farms Board has sold assets to provide capital for investment in development projects which fulfil its strategic objectives. The Duxton Farms Board may continue to capitalise on opportunities to rationalise assets in the future.

## 8.4 Ownership of the Merged Group

If Implementation of the Schemes occurs, and assuming that all Merger Companies are acquired by Duxton Farms and that all Scheme Shareholders receive Scheme Consideration comprising 80% Election Scrip Consideration and 20% Cash Consideration, there will be approximately 104.6 million Duxton Farms Shares on issue, with approximately 55.6 million Duxton Farms Shares (53.1%) being issued to the Scheme Shareholders as scrip consideration and approximately 49.0 million Duxton Farms Shares (46.9%) held by Duxton Farms Shareholders.<sup>19</sup>

Assuming that all Scheme Shareholders of all Merger Companies receive the Default Scrip Consideration (comprising 100% Duxton Farms Shares), there will be approximately 118.2 million Duxton Farms Shares on issue, with approximately 69.2 million Duxton Farms Shares (58.5%) being issued to Scheme Shareholders as the Default Scrip Consideration and approximately 49.0 million shares (41.5%) held by the current Duxton Farms Shareholders.<sup>20</sup>

If Duxton Orchards is not acquired as part of the Merger, the total number of Duxton Farms Shares issued by Duxton Farms as Scheme Consideration under the Merger would be reduced by 642,863 Duxton Farms Shares in the 80% Election Scrip Consideration and 20% Cash Consideration scenario and by 803,579 Duxton Farms Shares in the Default Scrip Consideration scenario.

## 8.5 Corporate governance of the Merged Group

### (a) Board and Management of Merged Group

The Duxton Farms Board will remain as the Duxton Farms Board following Implementation of the Schemes. There are no specific or immediate plans to add or remove directors of Duxton Farms following Implementation of the Schemes. Through the Duxton Farms Board they intend to continue investing in governance and management talent at the director level.

The most notable change in senior management in the Merged Group is the introduction of the Chief Operating Officer role, which will be provided by Duxton Capital as part of its remit. Simon Stone will be the Chief Operating Officer who will be responsible for overseeing the successful integration of the Merger Companies post-Implementation of the Schemes and execution of Duxton Farms' intentions in respect of the Merged Group. He will likely remain in that position for between 12 and 24 months, after which time Duxton Capital will undertake a full talent search to find an appropriately qualified long-term Chief Operating Officer.

### (b) Employees of Duxton Farms and the Merger Companies

The internalisation of some corporate functions will also create new roles in the Merged Group as employees of Duxton Capital shift across into comparable roles in the Merged Group. This will include new roles in finance, legal, human resources, and sustainability, including the requisite management structures for those teams.

The operations teams of Duxton Farms and the Merger Companies are currently expected to remain in roles broadly comparable to their current positions, with broadly identical roles and responsibilities. Reporting lines may be altered slightly to fit the structure outlined in section 8.3 above.

## 8.6 Intentions for the Merged Group

### (a) Continuation of business

The Merged Group's short-term operating strategy is expected to remain broadly consistent with the existing operations of Duxton Farms and the Merger Companies.

---

<sup>19</sup> Assumes the Placement completes in full on Implementation of the Schemes.

<sup>20</sup> Assumes the Placement completes in full on Implementation of the Schemes.

The Duxton Farms Board has sold assets to provide capital for investment in development projects which fulfil its strategic objectives. The Duxton Farms Board may continue to capitalise on opportunities to rationalise assets after the completion of the Merger, particularly with respect to the New South Wales portfolio.

**(b) Strategy and direction of the Merged Group**

The fundamental strategic objective of the Merged Group will be broadly similar to that of Duxton Farms on a larger scale; that is, the Merged Group aims to provide direct exposure to a well-diversified portfolio of Australian agricultural assets which produce key staple food and fibre products. Duxton Farms aims to meet rising global demand for agricultural commodities driven by a growing population and rising incomes in developing economies.

Duxton Farms' most immediate strategic priorities will be to integrate the acquired Merger Companies and ensure that the asset base and operations team is well positioned to capitalise on the Merged Group's investment thesis. The Duxton Farms Board may also seek to make further acquisitions which complement the expanded scope of its operations, and/or divestments of assets which do not suit its strategic aims.

**(c) Integration**

As the Merger Companies largely operate as standalone single-strategy businesses, each is expected to be able to continue as they otherwise would have in the absence of the Merger, following the seasonal production and sales cycles as dictated by the production system and operating strategy already in place. The Duxton Farms Board expects that the aspects of the Merger that will require the most attention in the immediate term are:

- the restructuring of key management reporting lines in the operations team;
- the introduction of the internalised corporate functions including finance, legal, human resources, and sustainability; and
- restructuring Duxton Farms' financing facilities.

The above are not expected to alter the day-to-day operations of the assets or have any material impact financial performance of the Merged Group.

**(d) Dividend policy of the Merged Group**

The Duxton Farms Board has not adopted a formal dividend policy, although it has in the past indicated that its long-term objective is to pay between 40% and 60% of free cash flow as dividends. It should be noted that this is unlikely to occur until a greater proportion of the Merged Group's asset base reaches productive maturity and regular earnings are being generated by the Merged Group.

## **8.7 Investment manager and management fees of the Merged Group**

**(a) Investment manager**

Duxton Capital has been appointed as the investment manager of Duxton Farms. Duxton Capital is an alternative asset management firm focused on global agricultural land and securities as well as Asian emerging markets.

Duxton Capital is highly experienced in the agriculture industry. The executive management at Duxton Capital holds an average of 30 years' experience investing in agriculture and are supported by an investment team.

Duxton Capital is responsible for investment management and advisory services, including the selection, determination, structuring, investment, reinvestment, leasing and management of assets in accordance with the investment guidelines. Duxton Capital is responsible for advising



on how to best deploy capital and manage Duxton Farms' aggregate portfolio in accordance with the investment strategy to maximise the returns generated from the Duxton Farms portfolio.

**(b) Management fees payable to Duxton Capital**

The reported management fees in Table 1 below is the management fees expense and performance fee expense incurred by Duxton Farms and each Merger Company for the periods stated. The pro-forma management fees in Table 2 the updated management fee based on the revised arrangement of 1.25% of the net asset value to come into effect on approval by Duxton Farms Shareholders.

A pro forma adjustment has been made to add back the historical reported management fees (see Table 1) and replace those historical reported management fees with the pro forma management fees (see Table 2) in "Other overheads".

Changes to the management fee (which is paid under the Investment Management Agreement between Duxton Capital and Duxton Farms) are subject to Duxton Farms Shareholder approval. If these changes are not approved and the Merger proceeds, the pro forma Total EBITDA loss presented on the previous page would increase by the "Management fee adjustment" amount set out in Table 3.

Duxton Farms proposes that the Merged Group will internalise accounting, bookkeeping, corporate services costs including legal, human resources and sustainability costs which have historically been provided to Merged Group companies (as required) by a company related to Duxton Capital pursuant to separate services agreements. A pro forma adjustment has been made to add back these costs and replace them with \$1.4 million of annual salary costs, being Duxton Farms' estimate of the go forward cost of the proposed internalised functions in "Internalised costs" (as set out in Table 3).

**Table 1: Historical reported management fees**

<b>\$'000s</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Duxton Bees	151	391	461
Duxton Walnuts	327	456	465
Duxton Dried Fruits	228	455	491
Duxton Farms	3,308	988	1,870
Duxton Orchards	26	2	5
<b>Total</b>	<b>4,040</b>	<b>2,292</b>	<b>3,292</b>

**Table 2: Pro forma management fees**

<b>\$'000s</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Duxton Bees	49	159	183
Duxton Walnuts	154	182	174
Duxton Dried Fruits	331	342	276
Duxton Farms	1,219	1,297	1,327

\$'000s	FY22	FY23	FY24
Duxton Orchards	113	127	79
<b>Total</b>	<b>1,865</b>	<b>2,108</b>	<b>2,038</b>

**Table 3: Proforma savings to the Merged Group resulting from the management fee adjustments and internalisations**

\$'000s	FY22	FY23	FY24
Management fee adjustment (Table A less Table B)	2,175	184	1,253
Service cost to be replaced	458	559	434
Internalised costs	(1,400)	(1,400)	(1,400)
<b>Net savings</b>	<b>1,233</b>	<b>(657)</b>	<b>287</b>

## 8.8 Financing of the Merged Group

Each of the businesses of the Merger Companies is subject to debt financing arrangements with either Commonwealth Bank of Australia (**CBA**) or National Australia Bank (**NAB**). NAB has consented to a change of control in respect of the facilities under which Duxton Dried Fruits is financed and has confirmed that its current equipment financing facilities do not require their consent for change of control. CBA and Duxton Farms have entered into a commitment letter in respect of a group financing arrangement proposed to be entered into between the Merged Group, CBA and NAB on a common terms deed basis (**New Financing**). It is expected the New Financing will become effective on the Implementation Date. NAB is supportive of the New Financing, subject to definitive documentation being entered into in form and substance satisfactory to NAB. The New Financing is subject to conditions precedent which are standard for transactions of that nature.

## 9. Merged Group Unaudited Pro Forma Historical Consolidated Financial Information

### 9.1 Overview

This section 9 contains the following pro forma financial information in respect of the Merged Group:

- unaudited pro forma historical consolidated income statement of the Merged Group (**Merged Group Unaudited Pro Forma Historical Income Statement**);
- unaudited pro forma historical consolidated statement of cash flows of the Merged Group (**Merged Group Unaudited Pro Forma Historical Statement of Cash Flows**), and
- unaudited pro forma historical consolidated statement of financial position of the Merged Group (**Merged Group Unaudited Pro Forma Historical Statement of Financial Position**);

(together, the **Merged Group Unaudited Pro Forma Historical Consolidated Financial Information**).

The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information should be read together with the:

- basis of preparation as set out in section 9.2;
- risk factors set out in section 13;
- historical financial information of Duxton Farms and the Merger Companies as set out in Schedule 1; and
- other information contained in this Explanatory Memorandum.

Grant Thornton has been appointed as the Investigating Accountant to prepare the Investigating Accountant's Report, a copy of which is included in Annexure C.

## 9.2 Basis of preparation

The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information has been prepared for illustrative purposes only to provide the Merger Company Shareholders with an indication of the financial performance, financial position and cash flow of the Merged Group as if all the Schemes had been Implemented prior to 1 July 2021 in respect of the financial performance and cash flow, and prior to 30 June 2025 as it relates to Duxton Farms and prior to 31 December 2024 for the Merger Companies in respect of the financial position. The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information does not reflect the actual performance, financial position or cash flow of the Merged Group at the time of Implementation of the Schemes. It has been prepared for illustrative purposes only for this Explanatory Memorandum.

The Merged Group Unaudited Pro Forma Historical Financial Information presented in this section 9 for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and six months ended 31 December 2024 is derived from;

- in the case of Duxton Farms, the following financial statements (as presented in Duxton Farms' Annual Report for FY22, FY23, FY24 and FY25 and the Interim Half Year Report for the year ended 31 December 2024, which can all be found on ASX's website at <https://www.asx.com.au/markets/company/DBF> and the Duxton Farms Investor Centre at <https://www.duxtonfarms.com/investor-centre>):
  - Duxton Farms' audited statutory historical consolidated financial information for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and reviewed six months ended 31 December 2024 in respect of the Historical Income Statement and Historical Statement of Cashflows; and
  - Duxton Farms' audited Historical Statement of Financial Position at 30 June 2025;
- in the case of Duxton Bees, Duxton Dried Fruits and Duxton Walnuts, the following financial statements of those Merger Companies (as summarised in sections 1.1, 1.2 and 1.4 of Schedule 1):
  - the audited statutory historical consolidated financial information for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and reviewed six months ended 31 December 2024 in respect of that Merger Companies Historical Profit and Loss Statements and Merger Companies Historical Statements of Cash Flow; and
  - the Merger Companies Historical Statements of Financial Position reviewed for the six months ended 31 December 2024;

- in the case of Duxton Orchards, the following financial statements of Duxton Orchards (as summarised in section 1.3 of Schedule 1):
  - Duxton Orchards' audited statutory historical consolidated financial information for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and reviewed financial information for the six months ended 30 June 2023 and 30 June 2024 in order to present the historical financial information of Duxton Orchards on a 30 June year end basis in respect of Duxton Orchards' Merger Companies Historical Profit and Loss Statements, Merger Companies Historical Statements of Cash Flow; and
  - Duxton Orchard' audited Historical Statement of Financial Position as at 31 December 2024; and
- Pro forma adjustments described in 9.4 and 9.5 (**Pro Forma Adjustments**).

The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other than it is presented on a pro forma basis as if Implementation of the Schemes had already occurred. The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information is presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

### 9.3 Basis of pro forma consolidation

From an accounting perspective Duxton Farms will gain control over the Merger Companies and therefore, under AASB 3 *Business Combinations* (**AASB 3**), the Merged Group will be required to recognise the identifiable net assets of the Merger Companies at fair value within the Merged Group's financial statements. Any excess between the fair value of the consideration paid and the fair value of the identifiable net assets of the Merger Companies will be recognised as identifiable tangible and intangible assets.

Under AASB 3, the Merged Group will have 12 months from the date of Duxton Farms gaining control over the Merger Companies (i.e. 12 months from the date of Implementation of the Schemes, which is currently expected to be Thursday, 30 October 2025) to undertake a purchase price allocation exercise to determine the fair value of goodwill and identifiable assets (including intangible assets) and liabilities related to the acquisition of the Merger Companies. As at the date of this Explanatory Memorandum, it is not possible to reliably determine the fair values of the acquired assets and liabilities of the Merger Companies. For the purposes of preparing the Merged Group Unaudited Pro Forma Historical Statement of Financial Position, the Scheme Consideration (assumed as \$16.9 million Cash Consideration and \$69.4 million Scrip Consideration)<sup>21</sup> less the Merger Companies reviewed net assets at 31 December 2024 has been reflected as a single Pro Forma Adjustment to the "Property, plant and equipment" line to represent the fair value of the Merged Group's biological and infrastructure assets including water rights. Subsequent to Implementation of the Schemes, the actual determination of the fair values of identifiable assets and liabilities acquired, may differ from those values presented in the Merged Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position.

As the purchase price allocation exercise has not been finalised, additional amortisation in relation to identified finite life of identified assets may arise, which has not been reflected in the Merged Group Unaudited Pro Forma Historical Consolidated Income Statement. The quantum of any additional amortisation will depend on the incremental fair value allocated and the useful lives ascribed to the identifiable assets as part of the final purchase price allocation exercise.

---

<sup>21</sup> This assumes all Merger Companies are acquired and the maximum Cash Consideration is payable to Scheme Shareholders under the Schemes excluding Duxton Farms (being 20% of the total Scheme Consideration payable excluding to Duxton Farms of \$102.9m).

For the purpose of preparing the Merged Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position, it has been assumed that there will be no resetting of the Merged Group's tax cost bases following the acquisition. However, it is likely that the allocable cost amount calculation will result in a deferred tax position which is different to the position presented in the Merged Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position. Any resulting adjustment to deferred tax assets and liabilities will have an equal but opposite impact on the amount of goodwill recognised in the Merged Group Unaudited Pro Forma Historical Consolidated Statement of Financial Position.

#### 9.4 Items not reflected in the Merged Group Unaudited Pro Forma Historical Consolidation Financial Information

As detailed above, the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information is provided for illustrative purposes only.

The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information does not purport to reflect the likely actual or prospective reported financial performance, financial position or cash flows of the Merged Group.

It is likely that the actual financial performance, financial position and cash flows of the Merged Group in future periods will differ from the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information. Factors which may impact the actual financial performance, financial position or cash flows of the Merged Group include but are not limited to:

- trading of Duxton Farms and the Merger Companies after 31 December 2024, which is not reflected in the Merged Group's Unaudited Pro Forma Historical Consolidated Financial Information;
- the risk factors set out in section 13;
- the ultimate timing of Implementation of the Schemes;
- finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards;
- finalisation of the resetting of the tax cost bases of Duxton Farms following Implementation of the Schemes, including the recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards;
- the ultimate timing and realisation of synergies and business improvements (and associated costs) arising from the combination of Duxton Farms and the Merger Companies; and
- current and future changes to accounting standards.

## 9.5 Merged Group Unaudited Pro Forma Historical Consolidated Income Statement

The Merged Group Unaudited Pro Forma Historical Consolidated Income Statement is presented in Table 4 below.

**Table 4: Merged Group Unaudited Pro Forma Historical Consolidated Income Statement<sup>22</sup>**

\$'000	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Revenue	36,791	21,103	45,163	20,378	18,875
Cost of sales	(33,062)	(28,434)	(34,508)	(17,471)	(9,534)
<b>Gross profit/ (loss)</b>	<b>3,729</b>	<b>(7,331)</b>	<b>10,655</b>	<b>2,908</b>	<b>9,341</b>
Other income	2,568	3,128	14,456	1,388	1,043
Share of loss of associate	-	-	-	(35)	-
Operational expenses	(16,866)	(18,579)	(24,519)	(7,290)	(8,335)
Administration expenses	(6,926)	(3,825)	(6,778)	(2,658)	(2,191)
Management, performance and accounting services	1,210	(1,438)	(459)	(639)	(641)
Reversal of impairment/ (impairment expense)	3,024	(1,070)	499	425	883
Finance cost	(971)	(3,853)	(8,158)	(2,825)	(3,898)
<b>Profit/ (loss) before tax</b>	<b>(14,232)</b>	<b>(32,969)</b>	<b>(14,304)</b>	<b>(8,726)</b>	<b>(3,798)</b>
Income tax (expense)/ benefit	3,217	6,516	2,751	2,095	483
<b>Profit / (loss) for the year</b>	<b>(11,015)</b>	<b>(26,452)</b>	<b>(11,553)</b>	<b>(6,632)</b>	<b>(3,315)</b>
Other comprehensive income	27,994	11,853	14,236	1,545	734
<b>Total comprehensive income for the year</b>	<b>16,979</b>	<b>(14,599)</b>	<b>2,683</b>	<b>(5,087)</b>	<b>(2,581)</b>

<sup>22</sup> The Merged Group Unaudited Pro Forma Historical Consolidated Income Statement is prepared on the basis that all Merger Companies are acquired by Duxton Farms. If Duxton Orchards is not acquired by Duxton Farms but the Merger proceeds, the revenue, Gross profit/(loss), Profit / (loss) before tax, Profit / (loss) for the year and Total comprehensive income for the year depicted in the Merged Group Unaudited Pro Forma Historical Consolidated Income Statement would be adjusted by the following amounts (and as described below):

	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Revenue	(10,812)	(7,838)	(9,146)	(2,537)	(4,750)
Profit/ (loss) before tax	2,631	4,871	4,709	727	1,896
Profit / (loss) for the year	2,631	4,871	4,709	727	1,896
Total comprehensive income for the year	2,134	4,473	4,548	727	1,735

Source: Duxton Farms Historical Profit and Loss Statement and the Merger Companies Historical Profit and Loss Statements for Duxton Orchards, Duxton Bees, Duxton Walnuts and Duxton Dried Fruits (as set out in Schedule 1).

Note: The above Unaudited Pro Forma Historical Consolidated Income Statement has been prepared by consolidating the standalone income statement of Duxton Farms and the Merger Companies. Certain items have been grouped or classified differently from standalone income statements for consistency of presentation.

**Table 5: Merged Group reconciliations to Duxton Farms and the Merger Companies Historical Consolidated Income Statements - Revenue**

\$'000	section	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Pro forma revenue						
Duxton Bees	1.1(d) of Schedule 1	779	730	2,847	5,836	2,520
Duxton Walnuts	1.4(d) of Schedule 1	3,958	4,539	3,651	519	2,033
Duxton Dried Fruits	1.2(d) of Schedule 1	4,652	758	5,504	8	-
Duxton Orchards	1.3(d) of Schedule 1	10,812	7,838	9,146	2,537	4,750
Duxton Farms	1.5(d) of Schedule 1	16,644	7,296	24,076	11,508	9,632
Consolidation eliminations		(54)	(58)	(60)	(30)	(60)
Total		36,791	21,103	45,164	20,378	18,875

Note: Consolidation eliminations represent elimination of intercompany transactions.

**Table 6: Merged Group reconciliations to Duxton Farms and the Merger Companies Historical Consolidated Income Statements – Profit/ (loss) for the year and total comprehensive income for the year**

\$'000	Section	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Statutory profit / (loss) for the year						
Duxton Bees	1.1 of Schedule 1	(984)	(2,215)	(2,736)	(1,211)	(1,161)
Duxton Walnuts	1.4 of Schedule 1	(467)	(1,779)	(1,676)	(821)	(512)
Duxton Dried Fruits	1.2 of Schedule 1	(4,976)	(6,865)	(7,908)	(902)	(798)
Duxton Orchards	1.3 of Schedule 1	(2,631)	(4,871)	(4,709)	(727)	(1,896)
Duxton Farms	1.5 of Schedule 1	(3,168)	(10,088)	5,193	(3,095)	1,365
Sub total		(12,226)	(25,819)	(11,836)	(6,756)	(3,002)
Historical management and performance fees		4,040	2,292	3,292	1,365	1,195
Proposed IMA		(1,865)	(2,108)	(2,038)	(1,029)	(1,027)
Internalised costs		(942)	(841)	(966)	(429)	(483)



\$'000	Section	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Interco eliminations		(22)	22	(5)	(2)	2
Transaction costs					219	
Pro forma profit/ (loss) for the year		(11,015)	(26,453)	(11,553)	(6,632)	(3,315)
\$'000	Section	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Statutory total comprehensive income for the year						
Duxton Bees	1.1 of Schedule 1	(984)	(2,215)	(2,079)	(227)	(588)
Duxton Walnuts	1.4 of Schedule 1	1,408	368	311	(536)	(512)
Duxton Dried Fruits	1.2 of Schedule 1	(4,921)	(8,515)	(6,939)	(902)	(798)
Duxton Orchards	1.3 of Schedule 1	(2,134)	(4,472)	(4,548)	(727)	(1,735)
Duxton Farms	1.5 of Schedule 1	22,399	870	15,655	(2,819)	1,365
Sub total		15,768	(13,695)	2,401	(5,211)	(2,268)
Historical management and performance A fees		4,040	2,292	3,292	1,365	1,195
Proposed IMA	B	(1,865)	(2,108)	(2,038)	(1,029)	(1,027)
Internalised costs	C	(942)	(841)	(966)	(429)	(483)
Interco eliminations		(22)	22	(5)	(2)	2
Transaction costs	D				219	
Pro forma total comprehensive income for the year		16,979	(14,599)	2,683	(5,087)	(2,581)

### Pro forma adjustments

- *Adjustment (A)* Adding back the historical management fees charged by Duxton Capital to Duxton Farms and the Merger Companies
- *Adjustment (B)* Adjusting for the amended Investment Management Agreement which is based on 1.25% of the net asset value of the previous month.
- *Adjustment (C)* As part of the Merger additional internalised costs for bookkeeping marketing and legal will be incurred by the Merged Group.
- *Adjustment (D)* Transaction costs in relation to the Merger incurred by Duxton Farms and the Merger Companies prior to 31 December 2024.

## 9.6 Items not reflected in the Merged Group Unaudited Pro Forma Historical Consolidated Income Statement

The Merged Group Unaudited Pro Forma Historical Consolidated Income Statement has not been adjusted to reflect:

- the trading of Duxton Farms or the Merger Companies after 31 December 2024;
- the ultimate timing and realisation of any potential synergies or business improvements (and associated costs) arising from the combination of Duxton Farms and the Merger Companies;

- transaction costs incurred by Duxton Farms and the Merger Companies in relation to the Schemes incurred after 31 December 2024;
- additional depreciation and amortisation relating to identified tangible and intangible assets which may arise as a result of Implementation of the Schemes and the finalisation of the purchase price allocation exercise; and
- any potential tax impact which may arise as a result of Implementation of the Schemes including finalisation of resetting of tax cost bases of assets, and the finalisation of the accounting for the acquisition.

## 9.7 Merged Group Unaudited Pro Forma Historical Statement of Financial Position

The Merged Group Unaudited Pro Forma Historical Statement of Financial Position is presented in Table 7 below.

**Table 7: Merged Group Unaudited Statutory and Pro Forma Historical Statement of Financial Position**

	A	B	C	D	E	F	G	H	I	J	K
\$'000	Duxton Farms Statutory Audited as at 30 June 2025	Duxton Bees Statutory Reviewed as at 31 December 2024	Duxton Dried Fruits Reviewed as at 31 December 2024	Duxton Orchards Audited As at 31 December 2024	Duxton Walnuts Reviewed as at 31 December 2024	Dividend Reinvestment Plan	Post balance transactions <sup>23</sup>	Placements	Stamp duty	Acquisition accounting	Merged Group Unaudited Pro Forma
Cash and cash equivalents	23,279	5,404	(341)	(72)	611	(4,692)	3,697	4,345	(5,476)	(16,967)	9,789
Trade and other receivables	1,821	21	82	6,735	58	-	(6,500)	-	-	(15)	2,202
Inventory	4,149	330	-	211	273						4,963
Biological assets	10,408	1,478	3,930	2,005	-						17,821
Livestock	-	212	-	-	-						212
Other current assets	699	109	399	172	36						1,415
<b>Total current assets</b>	<b>40,356</b>	<b>7,554</b>	<b>4,070</b>	<b>9,051</b>	<b>978</b>						<b>36,402</b>
Property, plant and equipment	23,443	11,636	39,392	10,463	21,444	-	772	-	5,476	38,404	151,029
Intangible assets	8,463	14	-	250	1,290	-	-	-	-	2,838	12,856
ROU assets	5,534	-	292	7,716	-						13,542
Livestock	-	-	-	-	68						68
Other assets	-	-	-	3	-						3
Land	80,470	-	-	-	-						80,470

<sup>23</sup> The balance of financial assets reflects the difference between the carrying value of Duxton Farms' investments in Duxton Bees and Duxton Dried Fruits as at 30 June 2025 and the value of equity held in these entities as at 31 December 2024. This variance arises due to the differing reporting dates used in the Pro Forma Historical Statement of Financial Position.

	A	B	C	D	E	F	G	H	I	J	K
\$'000	Duxton Farms Statutory Audited as at 30 June 2025	Duxton Bees Statutory Reviewed as at 31 December 2024	Duxton Dried Fruits Reviewed as at 31 December 2024	Duxton Orchards Audited As at 31 December 2024	Duxton Walnuts Reviewed as at 31 December 2024	Dividend Reinvestment Plan	Post balance transactions <sup>23</sup>	Placements	Stamp duty	Acquisition accounting	Merged Group Unaudited Pro Forma
Financial assets	11,103	-	-	-	-					(10,624)	4791
Total non-current assets	129,013	11,650	39,684	18,432	22,802						258,447
Total assets	169,370	19,204	43,754	27,483	23,780						294,849
Trade and other payables	(13,781)	(321)	(703)	(3,498)	(184)					15	(18,473)
Borrowings	(2,065)	(349)	(1,364)	(11,565)	(5,054)						(16,097)
Lease liabilities	(777)	-	(198)	(953)	-						(1,928)
Provisions	(498)	(125)	(159)	-	(70)						(852)
Contract liabilities	-	-	-	(776)	-						(776)
Income tax liability	(2,786)	-	-	-	-						(2,786)
Total current liabilities	(19,908)	(796)	(2,424)	(16,792)	(5,307)						(40,912)
Borrowings	(34,757)	(2,148)	(25,080)	(458)	(4,334)	-	4,300	-	-	-	(66,777)
Deferred tax liability	(11,434)	2,756	6,650	-	(2,307)						(4,335)
Lease liabilities	(4,881)	-	(102)	(8,334)	-						(13,317)
Provisions	(13)	(21)	(12)	(37)	(9)						(92)
Total non-current liabilities	(51,085)	587	(18,544)	(8,829)	(6,650)						(84,521)
Total liabilities	(70,993)	(209)	(20,968)	(25,621)	(11,957)						(125,433)
Net assets	98,377	18,996	22,786	1,862	11,822	(4,692)	2,269	4,345	-	13,651	169,415
Issued capital	70,998	25,459	44,314	18,809	11,212	5,185	2,269	4,345	-	(30,677)	151,914
Reserves	25,669	1,641	3,991	944	4,512	-	-	-	-	(11,088)	25,669
Retained earnings/(accumulated losses)	1,710	(8,104)	(25,519)	(17,891)	(3,902)	(9,877)	-	-	-	55,416	(8,167)
Total equity	98,377	18,996	22,786	1,862	11,822	(4,692)	2,269	4,345	-	13,651	169,415

Source: Duxton Farms Historical Statement of Financial Position and the Merger Companies Historical Statements of Financial Positions for Duxton Orchards, Duxton Bees, Duxton Walnuts and Duxton Dried Fruits (as set out in Schedule 1).

### Pro Forma Adjustments – Merged Group Unaudited Pro Forma Historical Statement of Financial Position

- Adjustment (F): Reinvestment of \$4.69 million of the special dividend announced by Duxton Farms on 26 June 2025 through its Dividend Reinvestment Plan.

- Adjustment (G): Post 31 December 2024 balance events in Duxton Orchards, Duxton Bees and Duxton Dried Fruits.
- Adjustment (H): \$4.34 million (net of costs) from the Placement announced by Duxton Farms on 26 June 2025.
- Adjustment (I): Stamp duty associated with the Merger estimated to be \$5.47 million;
- Adjustment (J): Effect the acquisition of the Merger Companies by Duxton Farms as described in section 9.3 assumed as \$16.96 million cash consideration and \$69.43 million share consideration and the elimination of intercompany balances and intercompany investments.

## 9.8 Items not reflected in the Merged Group Unaudited Pro Forma Historical Statement of Financial Position

The Merged Group Unaudited Pro Forma Historical Statement of Financial Position has not been adjusted to reflect:

- the trading of Duxton Farms after 30 June 2025 or the Merger Companies after 31 December 2024;
- finalisation of the acquisition accounting, including determining appropriate purchase price allocation, including the fair value of all assets and liabilities acquired in accordance with the relevant accounting standards; and
- resetting of the tax cost bases of Duxton Farms following Implementation, including recognition of the associated deferred tax assets and liabilities, in accordance with the relevant accounting standards.

## 9.9 Merged Group Unaudited Pro Forma Historical Statement of Cash Flows

The Merged Group Unaudited Pro Forma Historical Statement of Cash Flows is presented in Table 8 below.

**Table 8: Merged Group Unaudited Pro Forma Historical Statement of Cash Flows<sup>24</sup>**

\$'000	Pro Forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	36,791	27,372	45,788	25,930	19,628
Payments to suppliers and employees	(46,650)	(44,181)	(52,123)	(27,175)	(19,971)
Income taxes paid	-	-	(1,399)	-	-
Purchase of temporary water entitlements	(723)	(359)	(192)	(53)	(173)
Proceeds from disposal of temporary water entitlements	92	30	-	-	-
Government rebates	262	301	555	47	174
Other income	(961)	53	-	20	10

<sup>24</sup> The Merged Group Unaudited Statutory Historical Statement of Cash Flows is prepared on the basis that all Merger Companies are acquired by Duxton Farms. If Duxton Orchards is not acquired by Duxton Farms but the Merger proceeds, the 'Net cash flows' depicted in the Merged Group Unaudited Statutory Historical Statement of Cash Flows would be adjusted by the following amounts (and as described below):

	Pro forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Net cash flows	(3,570)	(37)	(44)	249	84

\$'000	Pro Forma Unaudited FY2022	Pro Forma Unaudited FY2023	Pro Forma Unaudited FY2024	Pro Forma Unaudited T6MDec24	Pro Forma Unaudited T6MDec23
Fuel tax credits received	42	38	38	-	23
Other receipts	441	67	148	168	159
<b>Net cash from operating activities</b>	<b>(10,706)</b>	<b>(16,680)</b>	<b>(7,185)</b>	<b>(1,063)</b>	<b>(150)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of plant and equipment	(14,280)	(23,871)	(32,415)	(9,440)	(22,517)
Payments for investments – land & building	(268)	(1,375)	(33)	-	-
Payments for investments – financial assets	-	-	(2,500)	(6,206)	-
Proceeds from sale of investments - land & building	41	-	69,731	-	-
Payment for intangible assets	-	-	-	(10)	-
Purchase of livestock	(557)	(1,479)	(294)	(13)	(1,004)
Proceeds from disposal of plant and equipment	175	115	(565)	63	35
Payments for water entitlements	(286)	(250)	(246)	-	-
Other	(1,721)	-	-	-	(2,500)
<b>Net cash from investing activities</b>	<b>(16,897)</b>	<b>(26,861)</b>	<b>33,678</b>	<b>(15,606)</b>	<b>(25,986)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid	-	-	-	(3,597)	-
Proceeds from issue of A class shares	19,577	12,374	6,828	9,441	4,328
Payments for share buybacks	(6,031)	(303)	(99)	(1,348)	(99)
Repayment of bank overdraft	-	-	-	(2,513)	-
Proceeds from drawdown of overdraft	-	-	-	-	6,073
Proceeds from borrowings	26,013	32,706	39,192	18,069	29,662
Repayment of borrowings	(15,748)	(1,872)	(31,977)	(25,093)	(1,488)
Payment of lease liability	(65)	32	(564)	(141)	(141)
Interest paid	(1,404)	(2,671)	(5,176)	(2,625)	(2,081)
Interest received	1	557	98	11	79
<b>Net cash from financing activities</b>	<b>22,344</b>	<b>40,823</b>	<b>8,302</b>	<b>(7,796)</b>	<b>36,333</b>
<b>Net cash flows</b>	<b>(5,259)</b>	<b>(2,717)</b>	<b>34,795</b>	<b>(24,465)</b>	<b>10,197</b>
Opening cash and cash equivalents	3,319	(1,939)	(4,656)	30,138	(4,656)
<b>Closing cash and cash equivalents</b>	<b>(1,940)</b>	<b>(4,657)</b>	<b>30,139</b>	<b>5,673</b>	<b>5,541</b>

Source: Duxton Farms Historical Statements of Cash Flow and the Merger Companies Historical Statements of Cash Flow of Duxton Orchards, Duxton Bees, Duxton Walnuts and Duxton Dried Fruits (as each set out in Schedule 1)

**Table 9: Merged Group Reconciliation from the Merged Group Unaudited Pro Forma Cash Flow Statement to the Merged Group Unaudited Pro Form Statement of Financial Position**

\$'000	\$,000	Pro forma Unaudited as at 30 June 2025
Cash balance per the Merged Group Unaudited Pro Forma Statement of Historical Financial Position	Duxton Farms 30 June 2025 - \$23,279 Duxton Bees 31 <sup>st</sup> Dec 2024 - \$5,404 Duxton Dried fruits 31 <sup>st</sup> Dec 2024 – (\$341) Duxton Orchards 31 <sup>st</sup> Dec 2024 – (\$72) Duxton Walnuts 31 <sup>st</sup> Dec 2024 - \$611	28,881
Dividend Reinvestment Plan		(4,692)
Post balance date events		3,697
Placement		4,345
Stamp duty		(5,476)
Merger cash consideration		(16,967)
<b>Cash and cash equivalents per the Merged Group Unaudited Pro Forma</b>		<b>9,789</b>

\$'000	\$,000	Pro forma Unaudited as at 30 June 2025
<b>Statement of Financial Position</b>		

Refer to section 9.5 for a description of the Pro Forma Adjustments applied to the Merged Group Unaudited Pro Forma Historical Statement of Cash Flows.

## 9.10 Items not reflected in the Merged group Unaudited Pro Forma Historical Statement of Cash Flows

The Merged Group Unaudited Pro Forma Historical Statement of Cash Flows has not been adjusted to reflect:

- the operating cash flows of Duxton Farms or the Merger Companies after 31 December 2024;
- transaction costs incurred by Duxton Farms and the Merger Companies in relation to the Schemes incurred after 31 December 2024; and

any potential tax impact which may arise as a result of Implementation of the Schemes and the finalisation of the accounting for the acquisition.

## 10. Overview of the Placement

### 10.1 Overview

On 26 June 2025, Duxton Farms announced its proposal to undertake a conditional fully underwritten placement of fully paid ordinary shares in Duxton Farms. Information in relation to the Placement (and Merger, proposed amendments to the Investment Management Agreement and certain other matters) was included in a Transaction Announcement and Investor Presentation released to the ASX by Duxton Farms on that date.

On 30 June 2025, Duxton Farms announced to ASX that it had received commitments from new and existing sophisticated investors to upsize its proposed placement to raise \$4,548,000 (before costs) through the issue of approximately 3,638,400 new Duxton Farms Shares at the price of \$1.25 per share (**Placement**).

The Placement is comprised of the following components:

Component	Amount / number of shares	% of Duxton Farms share capital	% of Duxton Farms share capital at Implementation <sup>25</sup>	Subject to shareholder approval?	Subject to Merger?
<b>General Placement:</b> an offer to certain institutional and other exempt investors using Duxton Farms' existing placement capacity under Listing Rule 7.1	~\$1.55m / ~ 1,238,400	~ 2.67%	~1.18% (1.05%)	No	Yes

<sup>25</sup> Assumes all Scheme Shareholders elect to receive 20% of their consideration in cash and are issued 80% scrip consideration and Duxton Capital Investments receives Duxton Farms Shares as consideration for the acquisition of its ordinary shares in each Merger Company.

<b>RM Placement:</b> an offer to Richard Magides	~\$2.50m / Up to 2,000,000	~4.48%	~1.91% (1.69%)	Yes <sup>26</sup>	Yes
<b>EP Placement:</b> an offer to the EP Placement Entity	~\$0.50m / Up to 400,000	~ 0.88%	~0.38% (0.34%)	Yes	Yes
<b>Total</b>	~\$4.55m / ~ 3,638,400	~ 8.03%	~3.48% (3.08%)		

The Placement (including each component above) will settle on and subject to implementation of the Merger. The EP Placement Entity and Richard Magides have each committed to take up their respective components of the Placement in full, subject to approval of Resolutions 1 and 2, respectively.

## 10.2 Underwriters

The Placement is fully underwritten by Morgans Corporate Limited ACN 010 539 607 and Bell Potter Securities Limited ACN 006 390 772 (**Lead Managers**) pursuant to the underwriting agreement between Duxton Farms and the Lead Managers dated 26 June 2025, as amended by the amending deed dated 30 June 2025 (**Underwriting Agreement**).

A summary of the material terms of the Underwriting Agreement is at pages 54 to 57 of the Investor Presentation.

## 10.3 Use of funds

Net proceeds of the Placement (along with cash at hand and existing facilities) will be used to contribute to funding Duxton Farms' strategic objectives, including the cash component of the Merger and Duxton Farms' existing development projects<sup>27</sup>. DBF's existing development projects include:

- the expansion of the greenfield pistachio orchard at Duxton Farms' Piambie property in Victoria;
- the development of the Wildman Agricultural Precinct and cropping programme at Mountain Valley Station in the Northern Territory;
- the acquisition of additional water entitlements to support Duxton Farms' cropping programme in New South Wales and Victoria; and
- development of further irrigated cropping areas and purchases of supporting plant and equipment in New South Wales.

Further details in respect of the Placement are in the Investor Presentation.

# 11. Overview of the proposal to amend the Investment Management Agreement

## 11.1 General

Duxton Capital is Duxton Farms' investment manager pursuant to the investment management agreement dated 12 January 2017 as amended by the amending deed dated 7 November 2017 management (referred to as the **Investment Management Agreement**).

<sup>27</sup> Refer to page 28 of the Investor Presentation for further details use of proceeds and Duxton Farms' development projects.



Duxton Farms announced the proposal to amend its Investment Management Agreement with the approval of Duxton Farms Shareholders in the Transaction Announcement and Investor Presentation on 26 June 2025.

The amendments to the Investment Management Agreement proposed by Resolution 6 are not conditional on the Merger (or any other Resolution) and will take effect upon and subject to Duxton Farms Shareholders approving Resolution 6.

The Investment Manager is an Australian asset manager based in South Australia with significant experience in agricultural asset management. The Investment Manager has been responsible for managing Duxton Farms under the Investment Management Agreement since Duxton Farms' listing in 2018. The Investment Manager is indirectly controlled by Ed Peter, a director of Duxton Farms.

## 11.2 Summary of key proposed amendments to the Investment Management Agreement

A summary of the key proposed amendments to the Investment Management Agreement is below. Duxton Farms has released a copy of the proposed amendments to the Investment Management Agreement to the ASX on 4 September 2025. Duxton Farms Shareholders may also review this document at <https://www.duxtonfarms.com/investor-centre>.

Term	Current Investment Management Agreement	Proposed amendment to Investment Management Agreement
<b>Term (clause 17.1)</b>	Initial term of ten years from the date of the agreement (being 7 November 2017), with automatic renewal for a further five year term unless terminated by either party in accordance with the terms of the agreement.	Term commencing on shareholder approval until 1 January 2031 ( <b>Initial Term</b> ), with an option for Duxton Farms to renew for a further five years subject to Shareholder approval.
<b>Management Fee (clause 16.2)</b>	Management fee of 0.85% per annum (plus GST) of portfolio net asset value of Duxton Farms and its subsidiaries ( <b>PNAV</b> ) plus performance fees - refer below.	Management Fee of 1.25% per annum (plus GST) of PNAV ( <b>Management Fee</b> ) with the removal of the performance fee – refer below.
<b>Performance Fee</b>	Performance fee structure included with specific benchmarks and hurdles as described in section 1.5 and 4.5 of Duxton Farms' prospectus (and supplementary prospectus) released to ASX on 10 November 2017, 22 December 2017 and 12 January 2018.	Performance fee structure removed.
<b>Termination Fee (clause 16.3)</b>	Termination fee equal to 5% of PNAV at the end of the prior 12 months, reduced by 1/60th for each calendar month elapsed between commencement of the renewed term and the termination date (as described in section 1.5 and 4.5 of Duxton Farms' prospectus (and supplementary prospectus) released to ASX on 10 November 2017, 22 December 2017 and 12 January 2018).	Termination fee based on the annual average management fee paid over the three immediately prior 12 month periods to the date of the last day of the month preceding the date of termination multiplied by 1.5, multiplied by the number of months remaining under the Initial Term divided by 12.

Term	Current Investment Management Agreement	Proposed amendment to Investment Management Agreement
<b>Termination rights (clause 17.2)</b>	<p>Duxton Farms may terminate the agreement if the Investment Manager materially breaches it and fails to remedy the breach, becomes insolvent, loses its required licences or authorisations for over a month, Duxton Farms is required to terminate by law or regulator, or if Shareholders vote to terminate after the initial term with six months' notice.</p> <p>The Investment Manager may terminate the agreement after the initial term with six months' notice, immediately if Duxton Farms becomes insolvent, or with one month's notice if Duxton Farms commits a material breach and fails to remedy it.</p>	Additional termination right in favour of Duxton Farms upon a change of control of the Investment Manager without the prior written consent of Duxton Farms.
<b>Intellectual property (clause 20)</b>	Limited provisions on the use and ownership of intellectual property rights in material developed, created or prepared by a party in connection with the agreement.	<p>Expanded provisions clarifying ownership of intellectual property created in connection with the agreement, under which each party is granted a license to use certain intellectual property rights and materials created by the Investment Manager in connection with the agreement during the term of the agreement.</p> <p>Duxton Farms is also granted an irrevocable, royalty free, worldwide, non-exclusive licence permitting its continued use of outputs of the Investment Manager following termination of the agreement for internal business purposes.</p>
<b>Branding (clause 17.4, 20.3 and Schedule 4)</b>	Upon termination of the agreement, Duxton Farms agrees not to use the name of the Investment Manager or any derivatives of it unless an alternative Duxton entity is appointed in the Investment Manager's place.	Duxton Farms is granted a license to use and reproduce (including a right to sub-license) the unregistered and registered trade marks and other branding of the Investment Manager in Schedule 4 to the agreement ( <b>Branding</b> ) until 12 months after the expiry of the term of the agreement. This license will survive and continue provided that a related party of the Investment Manager is appointed and acts in the Investment Manager's place as investment manager (in which case the license will be extended only for the period of that appointment).
<b>Key Person (clause 14)</b>	No specific provisions for a "Key person".	Requirement for the Investment Manager to engage a Chief Operating Officer ( <b>Key Person</b> ) to be actively engaged in delivering the services

Term	Current Investment Management Agreement	Proposed amendment to Investment Management Agreement
		under the agreement to Duxton Farms. Duxton Farms is to be actively included in the recruitment, performance management and removal of the Key Person.
<b>Schedule of Services (Schedule 1)</b>	The Investment Manager is responsible for performing or procuring the performance of services for Duxton Farms beyond services concerning investment strategy and business development, including services relating to accounting and administration.	The schedule of services provided by the Investment Manager to Duxton Farms is refined to focus on services concerning Duxton Farms' investment strategy and business development. The Investment Manager will no longer be required to provide services relating to accounting and administration.

See section 8.7(b) for further details on the management fees paid by Duxton Farms under the Investment Management Agreement and the proposed changes if the amended Investment Management Agreement is approved by Duxton Farms Shareholders (including in relation to management fees paid by the Merger Companies).

For completeness and separate from the proposed amendments to the Investment Management Agreement, the Investment Manager, a related body corporate of the Investment Manager, Duxton Capital Services, and Duxton Farms have entered into a framework agreement on 26 June 2025 to facilitate the arrangements relating to the provision of certain ancillary services to Duxton Farms in the context of the amendments to the Merger proceeding or not proceeding, each of which the Duxton Farms Sub-committee has determined to be are on arms' length terms.

In particular, if the Merger proceeds:

- the Investment Manager and Duxton Capital Services agree to transfer certain employees (legal, human resources, finance and ESG), assets and assumed liabilities to Duxton Farms which Duxton Farms agrees to give effect to the internalisation of certain corporate functions which are presently provided to Duxton Farms under the current Investment Management Agreement or services agreements with Duxton Capital Services;
- the Investment Manager or a related body corporate will also provide transitional services to Duxton Farms as agreed by the parties in connection with the internalisation process; and
- the existing services agreement between Duxton Capital Services and Duxton Farms (and each acquired Merger Company) will be terminated.

(In addition, the existing investment advisory agreements between the Investment Manager and each acquired Merger Company, and the existing services agreement between Duxton Capital Services and each acquired Merger Company, will also be terminated.)

Alternatively, if the Merger does not proceed, the existing services agreement between Duxton Capital Services and Duxton Farms will still be terminated (and Duxton Farms will make separate arrangements for the performance or procurement of required services for Duxton Farms), but the internalisation process and transition services described above will not proceed.

The above arrangements relating to services will apply, whether or not the Investment Management agreement is amended pursuant to Shareholder approval under Resolution 6.

The proforma financial impacts of the proposed changes to fees payable under the Investment Management Agreement, and the proposed internalisation of corporate functions, on the basis that the Merger proceeds and Resolution 6 is approved is at section 8.7(b).

### 11.3 Duxton Farms Directors' unanimous recommendation and voting intention

The Duxton Farms Sub-committee (referred to in section 3.9) recommends that Duxton Farms Shareholders vote in favour of Resolution 6.

Each Duxton Farms Director who is entitled to vote on Resolution 6 at the Meeting has indicated that they intend to vote in favour of Resolution 6 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 6 is contained in the Notice of Meeting.

The above recommendation and voting intention are, in each case, subject to the Independent Expert continuing to conclude that proposed amendments to the Investment Management Agreement are fair and reasonable (or revising the conclusion to not fair but reasonable) to non-associated Duxton Farms Shareholders.

Non-associated Duxton Farms Shareholders should have regard to the interests of Duxton Farms Directors Ed Peter and Stephen Duerden, in the Investment Manager. Namely that:

- Ed Peter is a director and controls the Investment Manager, with a relevant interest of 92.42%; and
- Stephen Duerden is chief executive officer and a director of the Investment Manager, with a Relevant Interest of 7.58%.

Further, Ed Peter and Stephen Duerden are directors of the Investment Manager and underlying shareholders of Duxton Capital Holdings Pty Ltd, the ultimate holding company of Duxton Capital.

Ed Peter and Stephen Duerden do not make a voting recommendation statement on the basis of their interests in the Investment Manager and the outcome of Resolution 6.

### 11.4 Advantages and disadvantages of the proposed amendments to the Investment Management Agreement

The Duxton Farms Board and independently the Duxton Farms Sub-committee, believe that the proposed amendments to the Investment Management Agreement for which approval is sought pursuant to Resolution 6 is attractive for Duxton Farms Shareholders. The Duxton Farms Board and independently the Duxton Farms Sub-committee have reached their recommendation in respect of Resolution 6 set out at section 11.3 having regard to the advantages and disadvantages of the proposed amendments set out in this section 11.4.

The Duxton Farms Board and independently, the Duxton Farms Sub-committee, consider the following advantages and disadvantages may be relevant to Duxton Farms Shareholders' decision on how to vote on Resolution 6:

#### (a) Advantages

You may consider the following factors are advantages:

- **Independent Expert conclusion:** the Independent Expert concluded that the amendments to the Investment Management Agreement are fair and reasonable to non-associated Duxton Farms Shareholders.
- **Continuity of strategy and key executive:** Duxton Farms will continue its core business and investment strategy with the support of the Investment Manager and the Chief Operating Officer. The Investment Management Agreement ensures that a Key Person (Chief Operating Officer) is actively engaged in delivering the services, with provisions for consultation and replacement if necessary. This ensures continuity and quality of service and allows for continuity of the key persons involved in the investment strategy ensuring that investment decisions align with Duxton Farms' strategic objectives.

- **Removal of performance fee:** Removal of performance Fee is intended to deliver a more predictable and transparent cost structure for Duxton Farms with the intention of reducing the risk of short term or high risk investment decision making by the Investment Manager which can arise when compensation is tied to near-term performance. Duxton Farms Shareholders may view the elimination of the performance fee as better supporting long-term alignments with shareholder value and promoting risk-adjusted capital management.
- **Revised Management Fee:** While the base management fee increases from 0.85% to 1.25% of portfolio net asset value (PNAV), retaining PNAV as the fee base seeks to ensure transparency, simplicity and alignment with Shareholder interests whilst encouraging the Investment Manager to prioritise asset quality, product capital allocation and balance sheet efficiency in support of Duxton Farms' strategy of reducing the gap between net asset value and share price. Retaining a management fee based on PNAV can serve to incentivise the Investment Manager to limit unnecessary debt or leverage, as excessive gearing may inflate asset values but not NAV in a sustainable manner.
- **Revised termination fee:** Under the proposed amendments to the Investment Management Agreement, the termination fee<sup>28</sup> is payable by Duxton Farms if the Investment Management Agreement is terminated before the expiry of the Initial Term with Shareholder approval. In certain circumstances, this may be less financially burdensome than the current structure, which provides for a termination fee equal to 5% of PNAV, particularly where termination occurs earlier in the agreement term.
- **Revised intellectual property and branding terms:** The proposed amended Investment Management Agreement provides clearer and more comprehensive terms concerning intellectual property and branding. These amendments are intended to offer greater certainty over rights during and after the Investment Management Agreement term, reducing the risk of disputes or misuse of branding and IP assets developed during the Investment Management Agreement term.
- **Refined scope of services:** Refined scope of services reduces duplication of responsibilities and clarifies the Investment Manager's focus on investment strategy and business development. This refined scope aims to encourage the Investment Manager to concentrate on Duxton Farms' core value drivers, potentially improving strategic performance. Further, the removal of the provision by the Investment Manager of ancillary services (including services relating to accounting and administration) is expected to reduce related party arrangements between the Investment Manager (and its related bodies corporate) and Duxton Farms, and assist Duxton Farms to build a more specialized and efficient dedicated operations team over time. These changes may be favoured by Duxton Farms Shareholders over the current structure.

(b) **Disadvantages**

You may consider the following factors are disadvantages:

- **Independent Expert conclusion:** While the Independent Expert has concluded the amendments are fair and reasonable to non-associated Duxton Farms Shareholders, some Duxton Farms Shareholders may disagree with that opinion or hold different views regarding the benefits or strategic rationale of the proposed amended Investment Management Agreement.
- **Potential sell-down pressure:** Duxton Farms Shareholders who oppose the amendments to the Investment Management Agreement may choose to sell their Shares. Depending on the supply and demand for the Shares, if a significant number of such sales occur and the market does not absorb them, this may place downward pressure on the Share price.
- **Increased base Management Fee:** The increase in the base management fee from 0.85% to 1.25% of PNAV may increase costs on Duxton Farms. This may concern Duxton Farms Shareholders as the fee remains payable even when returns to Duxton Farms Shareholders are flat or negative.

---

<sup>28</sup> The termination fee is calculated as the annual average management fee paid over the three immediately prior 12 month periods to the date of the last day of the month preceding the date of termination multiplied by 1.5, multiplied by the number of months remaining under the Initial Term divided by 12.

- **Removal of performance-based incentives:** The removal of the performance fee, while simplifying the fee structure, also eliminates a direct incentive for the Investment Manager to exceed performance benchmarks and deliver superior returns. Some Duxton Farms Shareholders may view this as a reduction in performance motivation on behalf of the Investment Manager.
- **Reduced scope of the Investment Manager's responsibilities:** While the Investment Management Agreement has been refined to focus the Investment Manager on investment strategy and business development, Duxton Farms Shareholders may be concerned that transferring responsibility for arranging administrative and accounting functions away from the Investment Manager (especially if internalisation process described below not proceed as planned), could create coordination or integration risks or lead to gaps in service delivery, oversight and accountability.

## 12. Resolutions

### 12.1 Resolution 1 - Approval to issue Duxton Farms Shares to the EP Placement Entity

#### (a) The proposed resolution

Resolution 1 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.11 for the issue of 400,000 Duxton Farms Shares at \$1.25 per Duxton Farms Share to the EP Placement Entity under the EP Placement to raise \$500,000 (before costs).

#### (b) Background

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to:

*10.11.1 a related party*

*10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;*

*10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;*

*10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or*

*10.11.5 a person whose relationship with the entity or a person referred to in Listing Rules 10.11.1 to 10.11.4 in such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,*

*unless it obtains the approval of its shareholders.*

Duxton Farms has agreed to issue Duxton Farms Shares to the EP Placement Entity, subject to shareholder approval, as permitted under Exception 11 of Listing Rule 10.12. No other exceptions in Listing Rule 10.12 apply in respect of the matters contemplated in this Resolution 1.

The EP Placement Entity is EFP Group Holdings Pty Ltd acting as custodian for the Peter Family Trust. The custodian is an entity controlled by Ed Peter, a Duxton Farms Director. For the purposes of the Listing Rules, entities controlled by directors of Duxton Farms are related parties of Duxton Farms. The EP Placement Entity is accordingly a related party of Duxton Farms.

As a result of the above, the completion of the EP Placement will result in the issue of Duxton Farms Shares to a related party of Duxton Farms. Duxton Farms therefore seeks Duxton Farms Shareholder approval under Listing Rule 10.11 in order to issue Duxton Farms Shares to the EP Placement Entity.

(c) **Section 208 of the Corporations Act**

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Duxton Farms Shares to the EP Placement Entity pursuant to the EP Placement constitutes giving a financial benefit for the purposes of the related party provisions in Chapter 2E of the Corporations Act.

The Duxton Farms Sub-committee has considered whether the arms' length exception in section 210 of the Corporations Act applies in these circumstances.

The Duxton Farms Sub-committee has formed the view that the arms' length exception in section 210 of the Corporations Act applies on the basis that the Duxton Farms Shares have been subscribed to by, and are being issued to Ed Peter, on the same terms and as each other participant in the Placement (save for the requirement to receive Duxton Farms Shareholder approval which is particular to Ed Peter and Richard Magides for the reasons set out in this Explanatory Memorandum).

(d) **Information required by Listing Rules 14.1A and 10.13**

If Resolution 1 is passed, Duxton Farms will be able to issue the Duxton Farms Shares under the EP Placement on and subject to implementation of the Merger within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and the funds raised by Duxton Farms under the EP Placement will be used in the manner described in section 10.3.

If Resolution 1 is passed, but the Merger is not implemented within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), the EP Placement will not proceed and the funds to be raised under the EP Placement will not be available for use by Duxton Farms.

If Resolution 1 is not passed (regardless of whether or not the Merger is implemented), the EP Placement will not proceed and the funds to be raised under the EP Placement will not be available for use by Duxton Farms.

Resolution 1 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person to whom the securities will be issued</b>	The EP Placement Entity, being EFP Group Holdings Pty Ltd acting as custodian for the Peter Family Trust.
<b>Categorisation under Listing Rule 10.11</b>	The EP Placement Entity is a related party of Duxton Farms for the purposes of Listing Rule 10.11.1, as it is an entity controlled by Ed Peter, a Duxton Farms Director.
<b>Number of securities and class to be issued</b>	Up to 400,000 fully paid ordinary shares in Duxton Farms.



Required information	Details
<b>Terms of the securities</b>	<p>The Duxton Farms Shares issued under the EP Placement will be fully paid ordinary shares in the capital of Duxton Farms, issued on the same terms and conditions as existing Duxton Farms Shares.</p> <p>The Duxton Farms Shares issued under the EP Placement will rank equally in all respects with existing Shares on issue.</p>
<b>Date on which the securities will be issued</b>	Duxton Farms will issue the Duxton Farms Shares under the EP Placement on and subject to implementation of the Merger within one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
<b>Price or other consideration Duxton Farms will receive for the securities</b>	\$1.25 per Duxton Farms Share issued under the EP Placement.
<b>Purpose of the issue, including the intended use of any funds raised by the issue</b>	<p>Refer to section 10.3 for details of the proposed use of funds.</p> <p>The issue of Duxton Farms Shares under the EP Placement is not intended to remunerate or incentivise Ed Peter.</p>
<b>Summary of material terms of agreement to issue</b>	The agreement to issue Duxton Farms Shares was established under standard ECM Master Terms arranged by the Joint Lead Managers. The material terms are set out in this table.
<b>Voting exclusion statement</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 1.

(e) **Expected impact of the EP Placement on the capital structure of Duxton Farms**

The expected impact of the issue of the EP Placement if the Merger is implemented on the capital structure of Duxton Farms is illustrated in the table in section 3.3.

(f) **Director's recommendations**

The Duxton Farms Directors (excluding Ed Peter) recommend that Duxton Farms Shareholders vote in favour of Resolution 1.

Each Duxton Farms Director (excluding Ed Peter) who is entitled to vote on Resolution 1 at the Meeting has indicated that they intend to vote in favour of Resolution 1 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 1 is contained in the Notice of Meeting.

The Duxton Farms Directors note that the Placement is conditional on the Merger proceeding and therefore will not complete if Resolutions 3 and 4 are not approved by Duxton Farms Shareholders. Refer to the recommendations in respect of those Resolutions in section 3.10.

## 12.2 Resolution 2 - Approval to issue Duxton Farms Shares to Richard Magides

(a) **The proposed resolution**

Resolution 2 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.11 for the issue of 2,000,000 Duxton Farms Shares at \$1.25 per Duxton Farms Share to Richard Magides under the RM Placement to raise \$2,500,000 (before costs).

(b) **Background**

Listing Rule 10.11 is summarised in section 12.1(b).

Duxton Farms has agreed to issue Duxton Farms Shares to Richard Magides, subject to shareholder approval, as permitted under Exception 11 of Listing Rule 10.12. No other exceptions in Listing Rule 10.12 apply in respect of the matters contemplated in this Resolution 2.

Richard Magides is a substantial holder in Duxton Farms, with a 35.92% shareholding, falling within the category of Listing Rule 10.11.2.

As a result of the above, the completion of the RM Placement will result in the issue of Duxton Farms Shares to a substantial holder in Duxton Farms. Duxton Farms therefore seeks Duxton Farms Shareholder approval under Listing Rule 10.11 in order to issue Duxton Farms Shares to Richard Magides.

**(c) Information required by Listing Rules 14.1A and 10.13**

If Resolution 2 is passed, Duxton Farms will be able to issue the Duxton Farms Shares under the RM Placement on and subject to implementation of the Merger within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and the funds raised by Duxton Farms under the RM Placement will be used in the manner described in section 10.3.

If Resolution 2 is passed, but the Merger is not implemented within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), the RM Placement will not proceed and the funds to be raised under the RM Placement will not be available for use by Duxton Farms.

If Resolution 2 is not passed (regardless of whether or not the Merger is implemented), the RM Placement will not proceed and the funds to be raised under the RM Placement will not be available for use by Duxton Farms.

Resolution 2 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person to whom the securities will be issued</b>	Richard Magides.
<b>Categorisation under Listing Rule 10.11</b>	Richard Magides falls within the category in Listing Rule 10.11.2 as he is a 35.92% holder in Duxton Farms.
<b>Number of securities and class to be issued</b>	Up to 2,000,000 fully paid ordinary shares in Duxton Farms
<b>Terms of the securities</b>	<p>The Duxton Farms Shares issued under the RM Placement will be fully paid ordinary shares in the capital of Duxton Farms, issued on the same terms and conditions as existing Duxton Farms Shares.</p> <p>The Duxton Farms Shares issued as part of the RM Placement will rank equally in all respects with existing Duxton Farms Shares on issue.</p>
<b>Date on which the securities will be issued</b>	Duxton Farms will issue the Duxton Farms Shares under the RM Placement within one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

Required information	Details
<b>Price or other consideration Duxton Farms will receive for the securities</b>	\$1.25 per Duxton Farms Share issued under the RM Placement.
<b>Purpose of the issue, including the intended use of any funds raised by the issue</b>	Refer to section 10.3 for details of the proposed use of funds.
<b>Summary of material terms of agreement to issue</b>	The agreement to issue Duxton Farms Shares was established under standard ECM Master Terms arranged by the Joint Lead Managers. The material terms are set out in this table.
<b>Voting exclusion statement</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 2.

(d) **Expected impact of the RM Placement on the capital structure of Duxton Farms**

The expected impact of the issue of the RM Placement if the Merger is implemented on the capital structure of Duxton Farms is illustrated in the table in section 3.3.

(e) **Director's recommendations**

The Duxton Farms Directors recommend that Duxton Farms Shareholders vote in favour of Resolution 2.

Each Duxton Farms Director who is entitled to vote on Resolution 2 at the Meeting has indicated that they intend to vote in favour of Resolution 2 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 2 is contained in the Notice of Meeting.

The Duxton Farms Directors note that the Placement is conditional on the Merger proceeding and therefore will not complete if Resolutions 3 and 4 are not approved by Duxton Farms Shareholders. Refer to the recommendations in respect of those Resolutions in section 3.10.

## 12.3 Resolution 3 - Approval to acquire the EP Merger Company Shares from the EP 10.1 Entities

(a) **The proposed resolution**

Resolution 3 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.1 for the acquisition by Duxton Farms of a substantial asset, being the EP Merger Company Shares, from the EP 10.1 Entities (**EP 10.1 Acquisition**).

In the event that one or both of Resolution 3 and Resolution 4 are not passed, or another condition which is required to be satisfied or waived as part of the Merger is not satisfied or waived by the requisite parties, the Merger will not proceed and as a consequence the EP 10.1 Acquisition will not occur.

(a) **Background**

Listing Rule 10.1

Listing Rule 10.1 provides that, unless one of the exceptions in Listing Rule 10.3 applies, a listed entity must ensure that neither it, nor any of its child entities, acquires or agrees to acquire a substantial asset from, or disposes of a substantial asset to:

*10.1.1 a related party of the entity;*

*10.1.2 a child entity of the entity;*

*10.1.3 a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity;*

*10.1.4 an associate of a person referred to in rules 10.1.1 to 10.1.3 above;*

*10.1.5 a person whose relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by security holders,*

*without the prior approval of holders of the entity's ordinary shareholders.*

For the purposes of Listing Rule 10.1, pursuant to Listing Rule 10.2, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity in the latest accounts given to ASX under the Listing Rules.

The equity interests of Duxton Farms as at 30 June 2025 in the 2025 Annual Report released by Duxton Farms on 7 August 2025 is \$98,376,942. A substantial asset is therefore an asset of value greater than 5% of this figure, being \$4,918,847.10.

Notwithstanding the above, shareholder approval is not required for Duxton Farms to issue the Scheme Consideration in connection with the EP 10.1 Acquisition, because the shares will be issued pursuant to the Merger implemented under a scheme of arrangement in Part 5.1 of the Corporations Act. As a result, the issue falls within Exception 5 of Listing Rule 10.12 and is therefore exempt from the operation of Listing Rule 10.11.

The expected impact of the issue of Duxton Farms Shares to the Ed Peters and entities in which he has a relevant interest (including the EP 10.1 Entities) if the Merger is implemented on the capital structure of Duxton Farms is illustrated in the table in section 3.3.

#### EP 10.1 Parties

If the Merger is implemented, Duxton Farms will acquire the Merger Company Shares, including from:

- EFP Nominees, Duxton Capital Investments and Duxton Capital, companies controlled by Ed Peter, a Duxton Farms Director; and
- Sandhurst Trustee Ltd as sub-custodian of the Duxton Diversified Agricultural Fund (DDAF). DDAF's trustee and custodian are companies controlled by Ed Peter (being Duxton Agri Services Pty Ltd and the Investment Manager respectively).

The above are considered to be related parties or associates of related parties of Duxton Farms under Listing Rules 10.1.1 and 10.1.4 for the purposes of the Listing Rule 10.1 approval sought under Resolution 3, and are referred to as the **EP 10.1 Entities** in this Explanatory Memorandum. The interests of DDAF are included as an EP 10.1 Entity, because Ed Peter controls the trustee of DDAF. However, he does not have material economic interest in DDAF. His economic interest in DDAF is only 4.01% through Duxton Capital Investment's unitholding in DDAF).

#### EP Merger Company Shares

Under the Merger, the following Merger Company Shares will be acquired by Duxton Farms from:

- the EP 10.1 Parties (other than DDAF):

Merger Company shares	Number of Merger Company shares	Value under the Schemes or Ordinary Share SPAs	EP 10.1 Entity
<b>Duxton Bees</b>			
Preference shares	537,323	\$564,189.15	Duxton Capital Investments
Ordinary shares	826,944	\$256,352.64	Duxton Capital Investments
<b>Duxton Dried Fruits</b>			
Preference shares	1,606,572	\$1,461,980.52	Duxton Capital Investments
	72,029	\$65,546.39	Duxton Capital
	295,103	\$268,543.73	EFP Nominees
Ordinary shares	3,565,016	Nil	Duxton Capital Investments
<b>Duxton Walnuts</b>			
Preference shares	945,242	\$1,739,245.28	Duxton Capital Investments
	76,924	\$141,540.18	EFP Nominees
Ordinary shares	1,402,778	\$1,304,583.54	Duxton Capital Investments
<b>Duxton Orchards</b>			
Preference shares	5,225,294	\$261,264.70	Duxton Capital Investments
Ordinary shares	1,657,652	Nil	Duxton Capital Investments

- in respect of DDAF:

Merger Company shares	Number of Merger Company shares	Value under the Schemes or Ordinary Share SPAs	EP 10.1 Entity
<b>Duxton Bees</b>			
Preference shares	2,041,177	\$2,143,235.85	DDAF*
<b>Duxton Dried Fruits</b>			
Preference shares	3,785,168	\$3,444,502.88	DDAF*
<b>Duxton Walnuts</b>			
Preference shares	1,263,737	\$2,325,276.08	DDAF*
<b>Duxton Orchards</b>			
Preference shares	1,764,706	\$88,235.30	DDAF*

\*DDAF has been included as the trustee of DDAF is controlled by Ed Peter, making it a related party or associate of related party of Duxton Farms as described above. Ed Peter only has an economic interest in DDAF of 4.01% through Duxton Capital Investments' unitholding in DDAF.

Merger Company Shares to be acquired from EP 10.1 Entities are referred to in this Explanatory Memorandum as **EP Merger Company Shares**. The total value of the EP Merger Company Shares shown above is \$6,386,119.49 comprising:

- in respect of the EP 10.1 Entities (other than DDAF), \$6,065,269.36; and
- in respect of DDAF, in which Ed Peter holds an approximately 4.01% economic interest, \$8,001,250.11 (where Ed Peter's economic interest accounts for \$320,850.13).

### Requirement for Duxton Farms Shareholder approval

As a consequence:

- the EP Merger Company Shares are a substantial asset for the purposes of Listing Rule 10.1, with a total asset value of \$6,386,119.49, in excess of \$4,918,847.10 (being 5% of the equity interests of Duxton Farms as at 30 June 2025); and
- Duxton Farms seeks Duxton Farms Shareholder approval under Listing Rule 10.1 for EP 10.1 Acquisition (being the acquisition by Duxton Farms of the EP Merger Company Shares as part of the Merger from the EP 10.1 Entities).

This conclusion is not affected if Duxton Orchards will not be acquired by Duxton Farms as part of the Merger and in this case the shares in Duxton Orchards will be excluded from the definition of EP Merger Company Shares.

#### **(b) Independent Expert's Report**

Listing Rule 10.5.10 requires a notice of meeting containing a resolution under Listing Rule 10.1 to include a report on the transaction from an independent expert. The report must state the expert's opinion as to whether the transaction concerned is fair and reasonable to holders of Duxton Farms Shares whose votes in favour of the transaction are not to be disregarded under Listing Rule 14.11 (referred to as the non-associated Duxton Farms Shareholders as described under the heading "Voting Exclusion Statement" under Resolution 3 in the Notice of Meeting).

The Independent Expert's Report accompanying this Explanatory Memorandum sets out a detailed independent examination of the EP 10.1 Acquisition to enable non-associated Duxton Farms Shareholders to assess the merits and decide whether to vote in favour of Resolution 3.

The Independent Expert has concluded that the EP 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders.

Duxton Farms Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

#### **(c) Section 208 of the Corporations Act**

Section 208 of the Corporations Act is set out at section 12.1(c).

The issue of Duxton Farms Shares to Ed Peter as consideration for the Merger Company Shares held by the EP 10.1 Entities pursuant to the terms of each Scheme constitutes giving a financial benefit for the purposes of the related party provisions in Chapter 2E of the Corporations Act.

The Duxton Farms Sub-committee has considered whether the arms' length exception in section 210 of the Corporations Act applies in these circumstances.

The Duxton Farms Sub-committee has formed the view that the arms' length exception in section 210 of the Corporations Act applies on the basis that Ed Peter is receiving consideration for the Merger Company Shares held by the EP 10.1 Entities on the same terms as each other Scheme Shareholder in respect of each Merger Company.

#### **(d) Information required under Listing Rule 14.1A and 10.5**

If Resolution 3 is passed, Duxton Farms will be able to proceed with the EP 10.1 Acquisition as part of the implementation of the Merger.

If Resolution 3 is passed, but Duxton Farms is unable to proceed with the Merger, the EP 10.1 Acquisition will not proceed. The Merger is subject to the satisfaction or waiver of various other conditions (including the approval of Resolution 4) as summarised in 3.1.

If Resolution 3 is not passed, Duxton Farms will not be able to proceed with the acquisition of the EP Merger Company Shares, nor the Merger.

Resolution 3 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person from whom Duxton Farms is acquiring the substantial asset</b>	<p>EP 10.1 Entities, which includes:</p> <ul style="list-style-type: none"> <li>EFP Nominees, Duxton Capital Investments, Duxton Capital and Duxton Agricultural Holdings, companies controlled by Ed Peter, a director of Duxton Farms; and</li> <li>DDAF, where DDAF's trustee and custodian are companies controlled by Ed Peter,</li> </ul> <p>as described in section 12.3(b).</p>
<b>Categorisation under Listing Rule 10.1</b>	<p>EP 10.1 Entities are considered to be related parties or associates of related parties of Duxton Farms under Listing Rule 10.1.1 and 10.1.4 for the purposes of the Listing Rule 10.1 as described in section 12.3(b).</p>
<b>Details of the asset being acquired</b>	<p>The EP Merger Company Shares as described further in 12.3(c).</p>
<b>Consideration for the acquisition</b>	<p>As described in section 12.3(b), the value of the consideration for the acquisition of the EP Merger Company Shares is \$6,525,630.88 and comprises:</p> <ul style="list-style-type: none"> <li>in respect of the EP 10.1 Entities (other than DDAF), \$6,204,780.75;</li> <li>in respect of DDAF, in which Ed Peter holds an approximately 4.01% economic interest, \$8,001,250.11 (where Ed Peter's economic interest accounts for \$320,850.13).</li> </ul> <p>In consideration for their Merger Company Shares, Scheme Shareholders, including EP 10.1 Entities, will be offered Duxton Farms Shares (being fully paid ordinary shares), with the ability for each Scheme Shareholder to elect to receive up to 20% of their consideration in cash under the terms of the respective Scheme as described further in section 3.4. In consideration for the ordinary shares in each Merger Company, Duxton Capital Investments, being an EP 10.1 Entity, will receive scrip consideration for its ordinary shares in Duxton Bees and Duxton Walnuts (subject to Duxton Farms Shareholders approving Resolution 5) and nil consideration for its ordinary shares in Duxton Dried Fruits and Duxton Orchards. If Resolution 5 is not approved by Duxton Farms Shareholders, Duxton Capital Investments will receive cash in the amount of \$256,353 for the ordinary shares it holds in Duxton Bees (being \$0.31 per Duxton Bees ordinary share) and \$1,304,584 for the ordinary shares it holds in Duxton Walnuts (being \$0.93 per Duxton Walnuts ordinary share).</p> <p>If Resolution 3 is approved and the Merger and Placement proceed, the Duxton Farms Shares issued to the EP 10.1 Entities pursuant to the EP 10.1 Acquisition will represent approximately:</p>



Required information	Details
	<ul style="list-style-type: none"> <li>in respect of the EP 10.1 Entities (other than DDAF and Duxton Agricultural Holdings) 3.40%<sup>29</sup> to 4.61%<sup>30</sup> of Duxton Farms; and</li> <li>in respect of DDAF which Ed Peter holds an approximately 4.01% economic interest, 4.36%<sup>31</sup> to 6.04%<sup>32</sup> of Duxton Farms.</li> </ul>
<b>Intended source of funds (if any) to pay for the acquisition</b>	<p>Duxton Farms will:</p> <ul style="list-style-type: none"> <li>issue Duxton Farms Shares to the EP 10.1 Entities in respect of the scrip consideration to be received as part of the Scheme Shareholders Scheme Consideration; and</li> <li>to the extent the EP 10.1 Entities make a valid election to receive part of their Scheme Consideration as cash (up to 20%), the net proceeds of the Placement, along with cash at hand and existing facilities, will be used to fund the cash component of the Merger payable to Scheme Shareholders including the EP 10.1 Entities.</li> </ul>
<b>Timetable for completing the acquisition</b>	The indicative timetable for completing the EP 10.1 Acquisition and the Merger is set out at section 3.6 (being the indicative timetable for completion of the Merger).
<b>If the acquisition is occurring under an agreement, a summary of any other material terms of the agreement</b>	The acquisition of the EP Merger Company Shares is occurring under the terms of each Scheme Implementation Agreement and Ordinary Share SPA. The material terms of the Scheme Implementation Agreements and Ordinary Share SPA are set out in 14.2.
<b>Voting exclusion statement</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 3.

<sup>29</sup> Assumes Duxton Walnuts, Duxton Bees and Duxton Dried Fruits are acquired by Duxton Farms, that the EP 10.1 Entities are issued 80% Election Scrip Consideration for their holdings in each of the Merger Companies, that all other Scheme Shareholders are issued the Default Scrip Consideration, Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation. If all Merger Companies are acquired by Duxton Farms, the Duxton Farms Shares issued to the EP 10.1 Entities pursuant to the EP 10.1 Acquisition would represent at least approximately 3.52% of Duxton Farms immediately following Implementation, assuming that the EP 10.1 Entities are issued 80% Election Scrip Consideration for their holdings in each of the Merger Companies, that all Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

<sup>30</sup> Assumes that all Merger Companies are acquired by Duxton Farms, that the EP 10.1 Entities are issued the Default Scrip Consideration for their holdings in each of the Merger Companies, that all other Scheme Shareholders are issued 80% Election Scrip Consideration, Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation. If Duxton Orchards is not acquired, the Duxton Farms Shares issued to EP 10.1 Entities pursuant to the EP 10.1 Acquisition would represent up to approximately 4.44% of Duxton Farms immediately following Implementation, assuming that the EP 10.1 Entities are issued 80% Election Scrip Consideration for their holdings in each of Duxton Dried Fruits, Duxton Bees, and Duxton Walnuts, that all other Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

<sup>31</sup> Assumes Duxton Walnuts, Duxton Bees and Duxton Dried Fruits are acquired by Duxton Farms, that DDAF is issued 80% Election Scrip Consideration for its holdings in each of the Merger Companies, that all other Scheme Shareholders are issued the Default Scrip Consideration, Resolution 5 is approved by Duxton Farms Shareholders and the Placement completes in full on Implementation. If all Merger Companies are acquired by Duxton Farms, the Duxton Farms Shares issued to DDAF would represent at least approximately 4.38% of Duxton Farms immediately following implementation, assuming that DDAF is issued 80% Election Scrip Consideration for its holdings in each of the Merger Companies, that all other Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

<sup>32</sup> Assumes that all Merger Companies are acquired by Duxton Farms, that DDAF is issued the Default Scrip Consideration for its holdings in each of the Merger Companies, and that all other Scheme Shareholders are issued 80% Election Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and the Placement completes in full on Implementation. If Duxton Orchards is not acquired, the Duxton Farms Shares issued to DDAF would represent up to approximately 6.01% of Duxton Farms immediately following implementation, assuming that DDAF is issued 80% Election Scrip Consideration for its holdings in each of Duxton Dried Fruits, Duxton Bees, and Duxton Walnuts, that all other Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

Required information	Details
<b>Independent expert report</b>	The Independent Expert's Report in respect of Resolution 3 is included at Annexure A.

(e) **Director Recommendations**

The Duxton Farms Directors and independently the Duxton Farms Sub-committee (referred to in section 3.9) recommends that Duxton Farms Shareholder vote in favour of Resolution 3.

Each Duxton Farms Director who is entitled to vote on Resolution 3 at the Meeting has indicated that they intend to vote in favour of Resolution 3 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 3 is contained in the Notice of Meeting.

The above is subject, in each case, to the Independent Expert continuing to conclude that the transactions contemplated by the Resolutions 3 and 4 are not fair but reasonable (or revising the conclusion in respect of Resolution 3 and/or Resolution 4 to fair and reasonable) to non-associated Duxton Farms Shareholders.

## 12.4 Resolution 4 - Approval to acquire the RM Merger Company Shares from Richard Magides

(a) **The proposed resolution**

Resolution 4 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.1 for the acquisition by Duxton Farms of a substantial asset, being the RM Merger Company Shares, from Richard Magides (**RM 10.1 Acquisition**).

In the event that one or both of Resolution 3 and Resolution 4 are not passed, or another condition which is required to be satisfied or waived as part of the Merger is not satisfied or waived by the requisite parties, the Merger will not proceed and as a consequence the RM 10.1 Acquisition will not occur.

(b) **Background**

Listing Rule 10.1

An overview of Listing Rule 10.1 is in section 12.3(b).

As stated in that section, for the purposes of Listing Rule 10.1, pursuant to Listing Rule 10.2, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity in the latest accounts given to ASX under the Listing Rules, being in this case \$4,918,847.10 .

If the Merger is implemented, Duxton Farms will acquire the RM Merger Company Shares from Richard Magides.

Richard Magides is a person who is a substantial (10%+) holder in Duxton Farms for the purposes of ASX Listing Rule 10.1.3, for the purposes of the Listing Rule 10.1 approval sought under Resolution 4.

Notwithstanding the above, shareholder approval is not required for Duxton Farms to issue the Scheme Consideration in connection with the RM 10.1 Acquisition, because the shares will be issued to Richard Magides pursuant to the Merger implemented under a scheme of arrangement in Part 5.1 of the Corporations Act. As a result, the issue falls within Exception 5 of Listing Rule 10.12 and is therefore exempt from the operation of Listing Rule 10.11.

The expected impact of the issue of shares to Richard Magides on the capital structure of Duxton Farms is illustrated in the table in section 3.3.

### RM Merger Company Shares

Under the Merger, the following shares in the Merger Companies will be acquired by Duxton Farms from Richard Magides:

Merger Company shares	Number of Merger Company shares	Value under the Schemes or Ordinary Share SPAs	Transferor
Duxton Bees			
Preference shares	2,444,445	\$2,566,667.25	Richard Magides
Duxton Dried Fruits			
Preference shares	2,470,590	\$2,248,236.90	Richard Magides
Duxton Orchards			
Preference shares	5,342,942	\$267,147.10	Richard Magides
Duxton Walnuts			
Preference shares	2,750,000	\$5,060,000.00	Richard Magides

Merger Company Shares to be acquired from Richard Magides are referred to in this Explanatory Memorandum as **RM Merger Company Shares**. The total value of the RM Merger Company Shares shown above is \$10,142,051.25.

### Requirement for Shareholder approval

As a consequence:

- the RM Merger Company Shares are a substantial asset for the purposes of Listing rule 10.1; and
- Duxton Farms therefore seeks Duxton Farms Shareholder approval under Listing Rule 10.1 for RM 10.1 Acquisition (being the acquisition by Duxton Farms of the RM Merger Company Shares as part of the Merger from Richard Magides).

This conclusion is not affected if Duxton Orchards will not be acquired by Duxton Farms as part of the Merger and in this case the shares in Duxton Orchards will be excluded from the definition of RM Merger Company Shares.

### **(c) Independent Expert's Report**

Listing Rule 10.5.10 requires a notice of meeting containing a resolution under Listing Rule 10.1 to include a report on the transaction from an independent expert. The report must state the expert's opinion as to whether the transaction concerned is fair and reasonable to holders of Duxton Farms Shares whose votes in favour of the transaction are not to be disregarded under Listing Rule 14.11 (referred to as the non-associated Duxton Farms Shareholders as described under the heading "Voting Exclusion Statement" under Resolution 4 in the Notice of Meeting).

The Independent Expert's Report accompanying this Explanatory Memorandum sets out a detailed independent examination of the RM 10.1 Acquisition to enable non-associated Duxton Farms Shareholders to assess the merits and decide whether to vote in favour of Resolution 4.

The Independent Expert has concluded that the RM 10.1 Acquisition is not fair but reasonable to the non-associated Duxton Farms Shareholders.

Duxton Farms Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

(d) **Information required under Listing Rule 14.1A and 10.5**

If Resolution 4 is passed, Duxton Farms will be able to proceed with the RM 10.1 Acquisition as part of the implementation of the Merger.

If Resolution 4 is passed, but Duxton Farms is unable to proceed with the Merger, the RM 10.1 Acquisition will not proceed. The Merger is subject to the satisfaction or waiver of various other conditions (including the approval of Resolution 3) as summarised in 14.2.

If Resolution 4 is not passed, Duxton Farms will not be able to proceed with the acquisition of the RM Merger Company Shares, nor the Merger.

Resolution 4 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person from whom Duxton Farms is acquiring the substantial asset</b>	Richard Magides
<b>Categorisation under Listing Rule 10.1</b>	Richard Magides is a person who is a substantial (10%+) holder in Duxton Farms for the purposes of ASX Listing Rule 10.1.3.
<b>Details of the asset being acquired</b>	The RM Merger Company Shares as described further in 12.4(b).
<b>Consideration for the acquisition</b>	<p>The value of the consideration for the acquisition of the RM Merger Company Shares is \$10,142,051.25 as described in section 12.4(b).</p> <p>In consideration for their Merger Company Shares, preference shareholders, including Richard Magides, will be offered Duxton Farms Shares (being fully paid ordinary shares), with the ability for each Scheme Shareholder to elect to receive up to 20% of their consideration in cash under the terms of each Scheme Implementation Agreement and the Ordinary Share SPAs as described further in section 3.4.</p> <p>If Resolution 4 is approved and the Merger and Placement proceed, the Duxton Farms Shares issued to Richard Magides pursuant to the RM 10.1 Acquisition will represent between approximately 5.46%<sup>33</sup> to 7.64%<sup>34</sup> of Duxton Farms.</p>
<b>Intended source of funds (if any) to pay for the acquisition</b>	Duxton Farms will:

<sup>33</sup> Assumes Duxton Walnuts, Duxton Bees and Duxton Dried Fruits are acquired by Duxton Farms, that Richard Magides is issued 80% Election Scrip Consideration for his holdings in each of the Merger Companies, and that all other Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation. If all Merger Companies are acquired by Duxton Farms, the Duxton Farms Shares issued to Richard Magides pursuant to the RM 10.1 Acquisition would represent at least approximately 5.57% of Duxton Farms immediately following implementation, assuming that Richard Magides is issued 80% Election Scrip Consideration for his holdings in each of the Merger Companies, that all other Shareholders of the Merger Companies are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

<sup>34</sup> Assumes that all Merger Companies are acquired by Duxton Farms, that Richard Magides is issued the Default Scrip Consideration for his holdings in each of the Merger Companies, and that all other Scheme Shareholders are issued 80% Election Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation. If Duxton Orchards is not acquired, the Duxton Farms Shares issued to Richard Magides pursuant to the RM 10.1 Acquisition would represent up to approximately 7.48% of Duxton Farms immediately following implementation, assuming that Richard Magides is issued 80% Election Scrip Consideration for his holdings in each of Duxton Dried Fruits, Duxton Bees, and Duxton Walnuts, that all Scheme Shareholders are issued the Default Scrip Consideration, that Resolution 5 is approved by Duxton Farms Shareholders and that the Placement completes in full on Implementation.

Required information	Details
	<ul style="list-style-type: none"> <li>• issue Duxton Farms Shares to the RM 10.1 Entities in respect of the scrip consideration to be received as part of their Scheme Consideration; and</li> <li>• to the extent the RM 10.1 Entities make a valid election to receive part of their Scheme Consideration as cash (up to 20%), the net proceeds of the Placement, along with cash at hand and existing facilities, will be used to fund the cash component of the Merger payable to Merger Company Shareholders including Richard Magides, to the extent they make a valid election to receive cash.</li> </ul>
<b>Timetable for completing the acquisition</b>	The indicative timetable for completing the RM Acquisition and the Merger is in section 3.6 (being the indicative timetable for completion of the Merger).
<b>If the acquisition is occurring under an agreement, a summary of any other material terms of the agreement</b>	The acquisition of the RM Merger Company Shares is occurring under the terms of each Scheme Implementation Agreement. The material terms of the Scheme Implementation Agreements are in 14.2.
<b>Voting exclusion statement</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 4.
<b>Independent expert report</b>	The Independent Expert's Report in respect of Resolution 4 is included at Annexure A.

(e) **Director Recommendations**

The Duxton Farms Board and independently, the Duxton Farms Sub-committee (referred to in section 3.9) recommends that Duxton Farms Shareholders vote in favour of Resolution 4.

Each Duxton Farms Director who is entitled to vote on Resolution 4 at the Meeting has indicated that they intend to vote in favour of Resolution 4 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 4 is contained in the Notice of Meeting.

The above is subject, in each case, to the Independent Expert continuing to conclude that the transactions contemplated by the Resolutions 3 and 4 are not fair but reasonable (or revising the conclusion in respect of Resolution 3 and/or Resolution 4 to fair and reasonable) to non-associated Duxton Farms Shareholders.

## 12.5 Resolution 5 - Approval to issue certain Duxton Farms Shares to Duxton Capital Investments

(a) **The proposed resolution**

Resolution 5 seeks Duxton Farms Shareholder approval for the purposes of Listing Rule 10.11 for, where the Merger proceeds to implementation, the issue of up to 1,250,368 Duxton Farms Shares to Duxton Capital Investments in consideration for the acquisition by Duxton Farms of 2,229,722 ordinary shares held by Duxton Capital Investments in Duxton Bees and Duxton Walnuts under the respective Ordinary Share SPAs (**DCI 10.11 Issue for Merger Company Ordinary Shares**).

In the event the Merger does not proceed to implementation, the DCI 10.11 Issue for Merger Company Ordinary Shares will not proceed, regardless of whether it is approved by Duxton Farms Shareholders or not.

**(b) Background**

**Listing Rule 10.11**

Listing Rule 10.11 is summarised in section 12.1(b).

Duxton Capital Investments is an entity controlled by Ed Peter, a Duxton Farms Director. For the purposes of the Listing Rules, entities controlled by directors of Duxton Farms are related parties of Duxton Farms. Duxton Capital Investments is accordingly a related party of Duxton Farms.

As a result of the above, the completion of the DCI 10.11 Issue for Merger Company Ordinary Shares will result in the issue of Duxton Farms Shares to a related party of Duxton Farms. Duxton Farms is therefore seeking Duxton Farms Shareholder approval under Listing Rule 10.11 in order to issue Duxton Farms Shares in these circumstances to Duxton Capital Investments.

While Duxton Farms Shareholder approval under Listing Rule 10.11 is not required for Duxton Farms to issue the Scheme Consideration in connection with Merger, because the Duxton Farms Shares will be issued under Exception 5 of Listing Rule 10.12 pursuant to the Merger implemented under a scheme of arrangement in Part 5.1 of the Corporations Act, this exception does not extend to the acquisition of shares under a sale agreement as is contemplated by this Resolution 5.

**(c) Section 208 of the Corporations Act**

Section 208 of the Corporations Act is set out at section 12.1(c).

The issue of Duxton Farms Shares to Duxton Capital Investments under the Ordinary Share SPAs constitutes giving a financial benefit for the purposes of the related party provisions in Chapter 2E of the Corporations Act.

The Duxton Farms Sub-committee has considered whether the arms' length exception in section 210 of the Corporations Act applies in these circumstances.

The Duxton Farms Sub-committee has formed the view that the arms' length exception in section 210 of the Corporations Act applies on the basis that the ordinary Share SPAs were negotiated on a wholly arm's length basis.

**(d) Information required by Listing Rules 14.1A and 10.13**

If Resolution 5 is passed, Duxton Farms will be able to issue the Duxton Farms Shares under the DCI 10.11 Issue for Merger Company Ordinary Shares on and subject to implementation of the Merger within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

If Resolution 5 is passed, but the Merger is not implemented within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), the DCI 10.11 Issue for Merger Company Ordinary Shares will not proceed.

If Resolution 5 is not passed but the Merger will otherwise proceed, Duxton Capital Investments will receive cash instead of Duxton Farms Shares for the Merger Company Ordinary Shares held by Duxton Capital Investments in the Merger Companies acquired under the Ordinary Share SPAs. As such, no other Resolutions are conditional on Resolution 5.

Resolution 5 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person to whom the securities will be issued</b>	Duxton Capital Investments
<b>Categorisation under Listing Rule 10.11</b>	Duxton Capital Investments is a related party of Duxton Farms for the purposes of Listing Rule 10.11.1, as it is an entity controlled by Ed Peter, a Duxton Farms Director.
<b>Number of securities and class to be issued</b>	Up to 1,250,368 fully paid ordinary shares in Duxton Farms.
<b>Terms of the securities</b>	<p>The Duxton Farms Shares issued under the DCI 10.11 Issue for Merger Company Ordinary Shares will be fully paid ordinary shares in the capital of Duxton Farms, issued on the same terms and conditions as existing Duxton Farms Shares.</p> <p>The Duxton Farms Shares issued under the DCI 10.11 Issue for Merger Company Ordinary Shares will rank equally in all respects with existing Duxton Farms Shares on issue.</p>
<b>Date on which the securities will be issued</b>	Duxton Farms will issue the Duxton Farms Shares under the DCI 10.11 Issue for Merger Company Ordinary Shares on and subject to implementation of the Merger within one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
<b>Price or other consideration Duxton Farms will receive for the securities</b>	<p>In respect of:</p> <ul style="list-style-type: none"> <li>Duxton Bees and Duxton Walnuts, the consideration payable is 201,897 Duxton Farms Shares<sup>35</sup> and 1,048,471 Duxton Farms Shares<sup>36</sup> respectively; and</li> <li>Duxton Dried Fruits and Duxton Orchards, no consideration is payable,</li> </ul> <p>for Duxton Farms' acquisition of the ordinary shares in each Merger Company held by Duxton Capital Investments.</p> <p>If this Resolution 5 is not passed but the Merger proceeds, Duxton Capital Investments is entitled to receive the equivalent value of the ordinary shares in each Merger Company as cash</p>
<b>Purpose of the issue, including the intended use of any funds raised by the issue</b>	<p>Consideration for the acquisition by Duxton Farms of the Merger Company Ordinary Shares held by Duxton Capital Investments in the Merger Companies under the Ordinary Share SPAs as part of the Merger.</p> <p>No funds will be raised by this issuance.</p>
<b>Summary of material terms of agreement to issue</b>	The acquisition of the ordinary shares in each Merger Company is occurring under the terms of the Ordinary Share SPAs. The material terms of the Ordinary Share SPAs are set out in section 14.2.
<b>Voting exclusion statement</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 5.

<sup>35</sup> Reflects an implied price of \$0.31 per ordinary class share in Duxton Bees.

<sup>36</sup> Reflects an implied price of \$0.93 per ordinary class share in Duxton Walnuts.



(e) **Expected impact of the DCI 10.11 Issue for Merger Company Ordinary Shares on the capital structure of Duxton Farms**

The expected impact of the issue of Duxton Farms Shares to entities in which Ed Peter has a Relevant Interest if the Merger is implemented on the capital structure of Duxton Farms is illustrated in the table in section 3.3. The Duxton Farms Shares issued to Duxton Capital Investments as consideration for the ordinary shares in Duxton Bees and Duxton Walnuts for which approval is sought under this Resolution 5 would be less than approximately 1.2% of the Duxton Farms capital structure post implementation of the Merger.<sup>37</sup>

(f) **Director's recommendations**

The Duxton Farms Sub-committee (referred to in section 3.9) recommend that Duxton Farms Shareholders vote in favour of Resolution 5.

Each Duxton Farms Director (excluding Ed Peter and Stephen Duerden) who is entitled to vote on Resolution 5 at the Meeting has indicated that they intend to vote in favour of Resolution 5 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 5 is contained in the Notice of Meeting.

The Duxton Sub-committee note that the issue of Duxton Farms Shares to Duxton Capital Investments in consideration for the acquisition of its ordinary shares in each Merger Company is conditional on the Merger proceeding and therefore will not complete if Resolutions 3 and 4 are not approved by Duxton Farms Shareholders. Refer to the recommendations in respect of those Resolutions in section 3.10.

## 12.6 Resolution 6 - Approval to amend the Investment Management Agreement

(a) **The proposed resolution**

Resolution 6 seeks Duxton Farms Shareholder approval for the amendment of the Investment Management Agreement on the terms proposed in section 11.

(b) **Background**

Listing Rule 10.1

Listing Rule 10.1 is summarised in section 12.3(b).

The Investment Management Agreement involves the acquisition of services by Duxton Farms from the Investment Manager. The Investment Manager is controlled by Ed Peter, a Duxton Farms Director, and is therefore a related party of Duxton Farms.

For the purposes of Listing Rule 10.1, pursuant to Listing Rule 10.2, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity in the latest accounts given to ASX under the Listing Rules.

The equity interests of Duxton Farms as at 30 June 2025 in the 2025 Annual Report released by Duxton Farms on 7 August 2025 is \$98,376,942. A substantial asset is therefore an asset of value greater than 5% of this figure, being \$4,918,847.10.

The value of the services to be provided under the Investment Management Agreement, assessed by reference to the amount of the Management Fee to be paid by Duxton Farms to the Investment Manager from the date of amendment of the Investment Management

---

<sup>37</sup>Assumes all Merger Companies are acquired, Scheme Shareholders are issued 80% Election Scrip Consideration, that 1,250,368 Duxton Farms Shares are issued as consideration under the Ordinary Share SPAs and that the Placement completes in full.

Agreement, is expected to exceed the above figure. As such, it is considered to be a substantial asset for the purposes of Listing Rule 10.1.

Given the Management Fee is calculated as 1.25% per annum (plus GST) of PNAV, it is not possible to give an accurate estimate of the future value of the management fees payable under the Investment Management Agreement.

However, if it is assumed that the Merger Proceeds and all four Merger Companies are acquired by Duxton Farms:

- the annual Management Fee will be approximately \$2,038,00 per annum for the Merged Group, based on the FY24 Proforma management fees set out in Table 2 above;
- the total value of the Investment Management Agreement is anticipated to be approximately \$10,190,000 for the initial term and the \$10,190,000 for the further term based on the FY24 Proforma management fees set out in Table 2 above; and
- any termination fee will be calculated as the annual average management fee paid over the three immediately prior 12 month periods to the date of the last day of the month preceding the date of termination multiplied by 1.5, multiplied by the number of months remaining under the Initial Term divided by 12.

Further information is set out in section 11.2.

#### Undertaking

As a condition precedent to Duxton Farms' admission to the official list of the ASX, in a deed of undertaking dated 31 January 2018, Duxton Farms undertook in favour of ASX that it would obtain the approval of ordinary security holders for any material changes to the Investment Management Agreement.

#### Requirement for Duxton Farms Shareholder approval

As a consequence of the above, Duxton Farms seeks Shareholder approval the purposes of Listing Rules 10.1, the Undertaking and for all other purposes, to amend the terms of the Investment Management Agreement in the manner referred to in section 11.2.

#### **(c) Independent Expert's Report**

Listing Rule 10.5.10 requires a notice of meeting containing a resolution under Listing Rule 10.1 to include a report on the transaction (being the proposed amendments to the Investment Management Agreement) , from an independent expert. The report must state the expert's opinion as to whether the transaction concerned is fair and reasonable to holders of Duxton Farms Shares whose votes in favour of the transaction are not to be disregarded under Listing Rule 14.11 (referred to as the non-associated Duxton Farms Shareholders and as described under the heading "Voting Exclusion Statement" under Resolution 6 in the Notice of Meeting).

The Independent Expert's Report accompanying this Explanatory Memorandum sets out a detailed independent examination of the proposed amendments to the Investment Management Agreement to enable non-associated Duxton Farms Shareholders to assess the merits and decide whether to vote in favour of Resolution 6, for the purposes of Listing Rule 10.1.

The Independent Expert has concluded that the proposed amendments to the Investment Management Agreement are fair and reasonable to the non-associated Duxton Farms Shareholders.

Duxton Farms Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

(d) **Section 208 of the Corporations Act**

Section 208 of the Corporations Act is set out at section 12.1(c).

The payment of the management fee by Duxton Farms to Duxton Capital under the Investment Management Agreement constitutes giving a financial benefit for the purposes of the related party provisions in Chapter 2E of the Corporations Act.

The Duxton Farms Sub-committee has considered whether the arms' length exception in section 210 of the Corporations Act applies in these circumstances.

The Duxton Farms Sub-committee has formed the view that the arms' length exception in section 210 of the Corporations Act applies on the basis that the proposed amendments to the Investment Management Agreement were negotiated on a wholly arm's length basis.

(e) **Information required under Listing Rule 14.1A and 10.5**

If Resolution 6 is passed, Duxton Farms will be able to proceed with the proposed amendments to the Investment Management Agreement.

If Resolution 6 is not passed, Duxton Farms will not be able to proceed with the proposed amendments to the Investment Management Agreement and it will continue in accordance with its current terms.

None of the other Resolutions are conditional on Resolution 6, and Resolution 6 is not conditional on any of the other Resolutions (in particular, whether or not the Merger proceeds is not dependent on, and does not depend on, whether or not Resolution 6 is passed.)

Resolution 6 is an ordinary resolution. It must be passed by at least a majority of the votes cast by Duxton Farms Shareholders present and entitled to vote on the Resolution.

Required information	Details
<b>Name of the person from whom Duxton Farms is acquiring the substantial asset (Listing Rule 10.5.1)</b>	The Investment Manager, Duxton Capital (Australia) Pty Ltd.
<b>Categorisation under Listing Rule 10.1 (Listing Rule 10.5.2)</b>	The Investment Manager is a related party of Duxton Farms for the purposes of Listing Rule 10.1.1 as Ed Peter, a director of Duxton Farms, indirectly controls the Investment Manager.
<b>Details of the asset being acquired (Listing Rule 10.5.3)</b>	Services focused on Duxton Farms' investment strategy and business development as outlined at Schedule 1 of the proposed amended Investment Management Agreement to be provided by the Investment Manager to Duxton Farms under that document. Duxton Farms has released a copy of the proposed amendments to the Investment Management Agreement to the ASX on 4 September 2025. Duxton Farms Shareholders may also review this document at <a href="https://www.duxtonfarms.com/investor-centre">https://www.duxtonfarms.com/investor-centre</a> .
<b>Consideration for the acquisition (Listing Rule 10.5.4)</b>	Management Fee of 1.25% of PNAV per annum payable by Duxton Farms as consideration for the provision of services by the Investment Manager under the proposed amended Investment Management Agreement as described further in sections 11 and 12.6.
<b>Intended source of funds (if any) to pay for the</b>	Cash at hand and debt facilities as required from time to time.

Required information	Details
<b>acquisition (Listing Rule 10.5.5)</b>	
<b>Timetable for completing the acquisition (Listing Rule 10.5.7)</b>	The proposed amendments to the Investment Management Agreement will take effect on and from the date of approval of Resolution 6 by Duxton Farms Shareholders.
<b>If the acquisition is occurring under an agreement, a summary of any other material terms of the agreement (Listing Rule 10.5.8)</b>	See section 11.2 for a summary of the key proposed amendments to the current Investment Management Agreement. Duxton Farms has released a copy of the proposed amendments to the Investment Management Agreement to the ASX on 4 September 2025. Duxton Farms Shareholders may also review this document at <a href="https://www.duxtonfarms.com/investor-centre">https://www.duxtonfarms.com/investor-centre</a> .
<b>Director recommendations</b>	See section 11.3.
<b>Directors interest in outcome</b>	See section 11.3.
<b>Other information</b>	Other than the information contained in this Explanatory Memorandum, Duxton Farms is not aware of any other information that is reasonably required by Duxton Farms Shareholders in order to decide whether or not it is in Duxton Farms' interests to pass Resolution 6 and; is known to Duxton Farms or to any of its directors.
<b>Voting exclusion statement (Listing Rule 10.5.9)</b>	A voting exclusion statement in the Notice of Meeting applies to Resolution 6.
<b>Independent expert report (Listing Rule 10.5.10)</b>	The Independent Expert's Report in respect of Resolution 6 is included as Annexure B.

(a) **Director's recommendations**

The Duxton Farms Sub-committee (referred to in section 3.9) recommend that Duxton Farms Shareholders vote in favour of Resolution 6.

Each Duxton Farms Director (excluding Ed Peter and Stephen Duerden) who is entitled to vote on Resolution 6 at the Meeting has indicated that they intend to vote in favour of Resolution 6 in respect of all Duxton Farms Shares they own or control. A voting exclusion statement with respect to Resolution 6 is contained in the Notice of Meeting.

The above is subject, in each case, to the Independent Expert continuing to conclude that the proposed amendments to the Investment Management Agreement contemplated by Resolution 6 are fair and reasonable (or revising the conclusion to not fair but reasonable) to non-associated Duxton Farms Shareholders.

## 13. Key Risks

### 13.1 Overview of this section

In considering whether to vote on Resolutions 1-5, Duxton Farms Shareholders should be aware that there are a number of risks, both general and specific, associated with the Merger. This section 13 describes a number of risks associated with:

- the operations of the Merged Group (section 13.2);

- the Merger (section 13.3); and
- Duxton Farms Shares and general risks (section 13.4).

A number of these risks are, or will be, risks to which Duxton Farms Shareholders are already exposed. However, the nature of the Merged Group's business will differ from Duxton Farms as a standalone business and Duxton Farms Shareholders may be subject to additional or differently weighted risks to those that exist presently, relating to Duxton Farms and relating to the Merged Group and the integration of the businesses as a result of the Merger. While the businesses are complementary, and aspects of the operations of Duxton Farms and the Merger Companies are similar in a number of ways, there are differences between the size, capital structure, infrastructure and consumers of the Merged Group and each Merger Company currently.

These risks do not take into account the individual investment objectives, financial situation, position or particular needs of Merger Company Shareholders. In addition, this section 13 is a summary only and does not contain an exhaustive list of all risks related to the Merger, Merger Companies, Merged Group, Duxton Farms Shares and Duxton Farms. There may be additional risks and uncertainties not currently known to the Merger Companies or Duxton Farms or that are currently considered immaterial, which may become important factors that can have a material adverse effect on the Merged Group's operating and financial performance.

## 13.2 Risks relating to the operations of the Merged Group

### Risks relating to the operations of the Merged Group

Weather events and climatic conditions	Severe weather events and climatic conditions may adversely impact the businesses, including crop and herd sizes, yields and quality. They may also contribute to other adverse events, including impacting water security, disrupting supply chains or creating volatility in the availability of agricultural products. Examples of weather events or climatic conditions include sudden or cyclical events such as floods, drought, hail, frost, fires and other natural disasters. The occurrence of events of this nature may have an adverse impact on the businesses' performance, position and prospects.
Climate change	Climate change risk refers to the long term systemic risk posed by both physical and transitional factors arising from climate change. Physical risks include the gradual increase in temperature, changing rain patterns and the frequency and severity of weather events, including storms, floods, droughts and other catastrophic events. Transitional risks involve regulatory changes aimed at curbing greenhouse gas emissions, climate reporting requirements and market shifts toward sustainability and evolving consumer preferences. There are also potential climate change related risks which include increases in operating costs of assets, impacts on crop yields and revenues, interruptions to supply chains and operations, and general economic downturns that may be caused by or impacted by climate change.  A failure or inability to respond to the impacts of climate change and related risks, or the impact of regulatory changes that may be implemented in order to address climate changes, may affect the businesses' cost bases and operations and could have wide ranging impacts on their financial performance, position or prospects.
Disease and infestation	The permanent horticultural and livestock assets of the businesses are subject to risks associated with disease and insect infestation. A disease or infestation outbreak may result in loss of crop, quarantine or destruction or degradation of key assets, which would have a negative impact on the businesses' financial performance, position and prospects.

## Risks relating to the operations of the Merged Group

If one or more of the sites at which the businesses grow, process or stores its produce becomes exposed to disease or insect infestation, or if a disease or insect infestation emerges that affects a particular produce category, the affected businesses may lose, or suffer loss in relation to, its investment in such produce and the revenue stream generated by such investment. This loss could have a material impact on the financial performance and position and prospects of those businesses.

For example, varroa mite has been detected in Australia. If varroa mite were to affect Duxton Bees, it may impact Duxton Bees' ability to generate revenue and supply sufficient quantities of bees for pollination (which may also impact both size and quality of crops produced by other businesses).

Commodity prices and sales strategies	<p>The businesses have exposure to commodity price fluctuations, where movements in Australian and global commodity prices, exchange rates and/or the volume of Australian or global agricultural production can adversely affect demand for the businesses' products and margins they are able to achieve. As such, any negative movement in commodity prices may have an adverse effect on the businesses' revenue and ability to generate profits.</p> <p>The businesses receive revenue from counterparties based on current spot prices (for example in the case of Duxton Bees and Duxton Orchards), or based on prices determined by off-take agreements which may be exclusive supply arrangements (like those held by Duxton Dried Fruits for example). If the businesses are unable to sell products at favourable spot prices or negotiate (or renew) off-take agreements on appropriate terms, there is a risk that they may not be able to generate revenues at levels they have in the past or were expecting to achieve.</p> <p>There is also a risk that the businesses may adopt pricing strategies which ultimately generate less revenue than could have been generated under a different strategy, for example by entering into longer term contracts at prices which prove to be lower than future spot prices. Conversely, the businesses may sell their produce to customers on an ad hoc/as and when need "purchase order" basis without formal fixed term or supply arrangements in place (for example as is currently the case with Duxton Bees and Duxton Orchards). While arrangements of this nature may allow businesses to sell at attractive current prices, prices fluctuate and such arrangements can create a lack of certainty as to revenue produced from these products.</p>
---------------------------------------	--

Dependence on commodity buyers	<p>The businesses rely on ongoing commercial relationships with their customers for which they produce and supply products in some instances on a longer term exclusive basis, for example, in the sale of dried fruits by Duxton Dried Fruits, which each operate in industries with few major purchasers in Australia. While strong customer relationships may represent a strength to the businesses, the loss of a major customer (whether to a competitor or other reason like insolvency) could result in significant, adverse financial consequences, particularly if it takes an extended period of time to replace that customer, or an alternative customer is unable to be obtained on appropriate terms or at all.</p>
--------------------------------	--

Competition	<p>The businesses compete with other companies within their respective industry sectors. Some of these companies may have greater financial and other resources than the businesses and, as a result, may be in a better position to compete for future business</p>
-------------	--

## Risks relating to the operations of the Merged Group

opportunities or adjust to changing market conditions. In other cases, the businesses may compete with businesses which do not seek the same level of investment returns as the businesses. There is a risk that the businesses are unable to compete effectively with their respective competitors which may adversely impact the financial performance or position of those businesses.

### Water

The businesses (other than Duxton Bees, which does not require water) require sufficient access to water in order to support their businesses. The businesses (other than Duxton Bees) each have three ways to manage access to water: owned (permanent), leased, and spot (temporary). Each business takes a different approach between these three water strategies and is reliant on its allocated water rights for its operations. Their strategy can depend on factors such as historical water usage, expansion plans, the reliability with which the businesses' owned and leased water rights generate water, the period of the leases, and spot prices (which can fluctuate widely depending on weather conditions). The availability of water is dependent on allocations made by the relevant State Government or water authority in different geographical areas. Allocations to water entitlement authorisations are impacted by (a) weather events and climatic conditions and (b) the classes of water use authorisations held by a business (in times of water scarcity, higher allocation authorisations will receive their allocation before authorisations in lower classes). Further, prolonged drought conditions, increased competition for water from expansion by other local producers, and changes in government can increase the risk of regulatory changes to water schemes that the businesses are heavily reliant on for allocated water rights. The price of water (both permanent and temporary) may also be affected by the availability of water from time to time.

In periods of reduced water allocations against owned and leased entitlements, the businesses may be required to purchase additional temporary water allocations on the spot market, which may increase costs. If insufficient water is able to be accessed (at reasonable costs or at all) this may adversely impact the health and yields of the businesses' assets. Certain businesses hold leased water entitlements or take the benefit of usage rights granted under a land lease. Water authorisations subject to such leases are held by third parties. A defect in the respective lessors' ownership of the leased entitlements and water use and infrastructure licences and approvals would have a consequential effect on the businesses' access to the water derived from the leased entitlements. Further, inadequate management of, or compliance with, the water rights and obligations under that lease by the relevant third party may adversely affect the water availability for the business the subject of the lease. Further, leased water entitlements are often short or medium term (e.g. 5 years). There is a risk that a leased entitlement may not be renewed, or may be renewed on terms less favourable to the business. Leased entitlements also may contain change of control provisions which may adversely impact a business' water availability if such provisions are triggered, and the requisite consents not obtained.

Certain businesses also have on site dams. The businesses' use of water sourced from these dams is dependent on compliance with applicable laws and regulations relating to harvestable rights and requirements to obtain applicable development consents, approvals and licences. For those businesses which have on site dams, a failure to hold the requisite water entitlement authorisations or manage its capture, storage and use of overland water flow could



## Risks relating to the operations of the Merged Group

	adversely affect the use by the businesses of, and the availability of water from, the on site dam.
Supply of other key inputs	<p>The businesses operate in complex supply chains which are reliant on multiple third-party suppliers, including foreign suppliers. The availability and cost of inputs, such as tree supply for the walnut and/or pistachio developments, fertiliser and other chemical agents (such as drying agents for the dried fruits industry which is produced in the Ukraine), can be affected by disruptions in domestic and/or international production, shipping availability, quarantine, foreign exchange rates, weather events, WHS laws and policy shifts. The businesses cannot guarantee that such key inputs will be available or available at an acceptable cost in the future which may adversely impact their operations and prospects. The businesses also contract with various other counterparties, including under lease and licence agreements. If counterparties to these contracts fail or cease to fulfil their obligations (and suitable alternative suppliers are not able to be sourced), the performance, position or prospects of the businesses may be adversely affected.</p>
Availability of seasonal or skilled labour	<p>There is a risk that the businesses that harvest products that are perishable, including Duxton Dried Fruits and Duxton Orchards, are unable to source the appropriate volume of seasonal labour at the appropriate time, and in the required locations and at an acceptable cost. Some businesses, for example Duxton Bees, often obtain labour with specific skills (in that case beekeeping) from outside Australia under specific skills visas. Access to labour may be impacted as a result of various factors including demand from other industries or events which impact supply like quarantine restrictions, or visa policies in the case of foreign labour. An inability of a business to secure sufficient workforce in the future could restrict the ability of it to conduct its current and proposed businesses, which could have a negative impact on its financial performance.</p>
Health and safety	<p>Given the nature of the industry in which the businesses operate, workers are at risk of workplace incidents (both physical and psychological). Physical health and safety risks include heavy machinery operation, livestock (including bee hive) handling, remote driving, manual handling and chemical handling. Psychosocial health and safety risks include challenges from seasonal high workloads during harvests, and potential issues such as bullying, discrimination and harassment. The businesses also rely on third party operators and contractors to have in place health and safety policies and operations that comply with applicable laws which cannot be guaranteed.</p> <p>In addition to the potential for harm to workers, a failure to comply with health and safety requirements could result in fines, penalties and compensation payments. Further, changes to health and safety laws, or stricter enforcement policies, may result in the businesses incurring increased costs. The occurrence of events of this nature has the potential to harm the reputation, and financial performance and position of the businesses.</p>
Key persons	<p>The success of the businesses depends on the ability to retain key operational employees, particularly as some of the products produced by the businesses like Duxton Dried Fruits and Duxton Bees are relatively niche operations. The businesses also rely on services provided by individuals employed by its investment manager, Duxton Capital. That will continue to be the case if the Merger proceeds under the proposed arrangements described in this Explanatory Memorandum. There is a risk that the businesses</p>

## Risks relating to the operations of the Merged Group

	lose access to these experienced employees in the future. The loss of key employees could cause disruption to the business and their operations and have an adverse effect on their future financial performance and prospects.
Defective products	The nature of products supplied by the businesses are that of a consumable food product. Such products may be liable to infestation, disease, mould, contamination and other biological impacts which occur in natural products. Some of these products (including those sold by Duxton Dried Fruits) are also subject to processing and may have production defaults against specification. This could expose the businesses to loss of product, damage to relationships with customers, liability (including monetary judgements, fines, injunctions and criminal sanctions) and reputational risks. In addition, the businesses' financial performance and reputation may be adversely impacted by negative customer sentiment related to compromised products of other producers.
Uninsurable assets	The businesses maintain insurance coverage in respect of certain of their businesses, properties and assets. Some key risks are not able to be insured at acceptable prices or at all (for example, the businesses are not able to insure against lost production due to flood or hail damage). Insurance coverage may not be sufficient in such circumstances and, if there is an event or claim causing loss, not all losses may be recoverable.
Global and domestic conditions and regulatory changes	<p>The businesses may be impacted by foreign or domestic political events, international relations and regulatory changes (including those relating to the agricultural industry, property, industrial relations, the environment, sustainability, the regulation of trade practices and competition). As farmgate suppliers of agricultural products that may be exported, the businesses' exported products are vulnerable to shifts in foreign government policies, foreign trade tensions and international conflicts. This risk also includes the effects of foreign government subsidies, trade barriers or tariffs that may adversely impact the competitive position of Australian agricultural products, or the availability or costs of imported supply inputs. While the businesses do not currently export produce to the USA, which is actively adjusting its tariff and trading policies, there is heightened uncertainty and potential for change in this area which may impact the businesses in the future.</p> <p>Further, changes to government policies and legislation may result in increased costs to the businesses, and non-compliance may result in financial penalties being levied against the businesses which may adversely impact their financial position and reputation.</p>
Environmental and regulatory matters, including relating to ESG	<p>The businesses may be responsible for environmental pollution or contamination on their sites which may be required to be remedied, and they may be found to be in breach of applicable laws or applicable licences or permits. If these risks arise, the businesses may incur substantial costs (including fines and remediation costs), their operations may be interrupted, their financial performance and position impacted and they may suffer reputational damage.</p> <p>Further, evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues may impact the operation of the businesses. There is a risk that the businesses may fail to keep up to date with any changes to, or the introduction of, ESG-related regulations, which may impact operations. In addition, changes to such regulations may significantly increase costs, such as those relating to ESG compliance and reporting obligations for the businesses.</p>

## Risks relating to the operations of the Merged Group

	<p>In addition, there may be supply chain disruptions or other operational disruptions due to changes imposed by the businesses or by counterparties to comply with the ESG-related regulations or policies, including for example changing suppliers as a result of complying with modern slavery policies, which may have an adverse effect on the financial performance, position and prospects of the businesses. Failure to meet those expectations may impact on the profitability or value of the businesses, restrict the ability of the businesses to attract financing or investment, or adversely impact on the reputation of the businesses including with its suppliers, customers or employees, which may in turn adversely impact the businesses' financial performance, position and prospects.</p>
Modern slavery	<p>As operators in the agricultural sector, the businesses face risks associated with modern slavery, including due to the industry's reliance on labour hire for seasonal foreign workers. If the businesses fail to comply with applicable modern slavery laws and conduct appropriate due diligence on modern slavery risks in their supply chains, they could be exposed to penalties and/or reputational damage.</p>
Strategy implementation	<p>It is expected that the operations of the businesses will be developed over time, including as described in this Explanatory Memorandum. There is a risk the businesses will not be able to successfully implement their respective growth strategies, which will adversely affect their respective financial performance, or that these strategies will be successful in generating profits.</p>
Litigation/disputes	<p>There is a risk that the businesses may be subject to litigation and other claims and disputes, including contractual disputes and indemnity claims in respect of long term leases (including as outlined in respect of Duxton Orchards in section 6.3) or offtake agreements in place, as well as intellectual property, employment, whistleblower, tax and corporations and securities laws related claims and disputes. Such litigation, claims, disputes, including the costs of settling claims, and any associated operational impacts, may impact the businesses' operations and be costly and damaging to the businesses' reputation and relationships, any of which could have an adverse effect on the businesses' financial performance, position, prospects and operations.</p>
Other force majeure events and external factors	<p>Events beyond the control of the businesses may impact their operations and future profitability. Examples of events of this nature like certain weather and climate related events are discussed above in particular, however they could also include events like pandemics, outbreaks of disease, civil unrest, war, terrorist attack, an outbreak of international hostilities, industrial action, disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets, or other man-made or natural events or occurrences. Such events may have an adverse effect on the ability of the businesses to conduct business. The businesses will have a limited, to no, ability to insure against some of these risks.</p>
Operational and Controls	<p>Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events which impact on the businesses. These businesses are exposed to operational risk including risks arising from process error, fraud, system failure, failure of security and data and physical asset protection systems. Operational risks have the potential to</p>

## Risks relating to the operations of the Merged Group

	have an effect on a business' financial performance and position as well as reputation.
Property valuations	Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their location to infrastructure and physical condition etc. There can be no assurance that the assumptions relied on are accurate measures of the market. The market values of the properties owned and leased by the businesses may therefore differ from the values of those properties as determined by an independent valuer and there is a risk that these valuations may exceed the amount which is able to be received for such assets upon their disposal by the businesses.
Leased property	Duxton Farms and Duxton Orchards lease land that they use to grow, and in some instances, store and process, its produce. Any material default under a lease by Duxton Farms or Duxton Orchards, or failure to renew an existing lease on acceptable terms or an inability to negotiate alternative arrangements, could materially adversely impact the operations and financial performance and prospects of the relevant business. In addition, there is a risk that the relevant business may become subject to lease terms which are relatively unfavourable due to unanticipated changes in the property market.
Limited liquidity in invested land	The businesses have investments in agricultural land which, as with other investments in land, are relatively illiquid. Such illiquidity may affect the businesses' ability to vary their investment portfolio or liquidate part of their assets in executing their stated strategies or in response to changes in economic, financial, real estate market or other conditions.

### 13.3 Risks relating to the Merger

#### Risks relating to the Merger

Pro forma historical financial information and merger accounting	<p>The Merged Group Unaudited Pro Forma Historical Consolidated Financial Information included in this Explanatory Memorandum is presented for illustrative purposes only to show the effect of the Merger based on the key assumptions and basis of preparation referred to in this Explanatory Memorandum. It is presented in summary form only and does not purport to comply with the presentation and disclosure requirements of Accounting Standards and should not be considered to be a financial forecast or an indication of the future financial condition or results of operations of the Merged Group following these events.</p> <p>The information upon which the adjustments and assumptions used in the preparation of this financial information is preliminary and is difficult to make with complete accuracy. There may also be other factors which affect this financial information, and it does not reflect all of the costs that may be incurred in connection with these transactions.</p> <p>Duxton Farms and Duxton Orchards have different year end reporting periods with Duxton Farms reporting on a year ended 30 June basis and Duxton Orchards using 31 December. Although there has been no changes of the financial year ends of these entities, the financial periods presented for Duxton Orchards has been aligned to 30 June in order to present the Merged Group Unaudited Pro Forma Historical Financial Information. The alignment of Duxton Orchards' financial periods to 30 June have not been subject to external audit and includes various assumptions and whilst Duxton Farms has taken care in</p>
--	---

## Risks relating to the Merger

	<p>preparing this financial information, the assumptions may differ if Duxton Orchards was subject to external audit assuming a 30 June balance date.</p> <p>In addition, the assumptions used in preparing the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information may not prove to be accurate, and other factors may affect Duxton Farms' financial condition or results of operations following acquisition of Merger Companies.</p> <p>Accordingly, the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information does not represent the Duxton Farms' results of operations and financial condition had Duxton Farms and the Merger Companies operated as a combined entity during the periods presented, or of Duxton Farms' results of operations and financial condition following acquisition of Merger Companies.</p> <p>In addition, the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information reflects the Duxton Farms Directors' preliminary assessment of potential acquisition accounting related adjustments as is required for business combinations in accordance with the requirements of AASB 3 Business Combinations. The final application of acquisition accounting will likely impact Duxton Farms' reported results of operations and/or financial position and performance. In particular, as part of the acquisitions of Merger Companies, Duxton Farms will need to perform a fair value assessment of the Merger Companies' assets, (including identifiable intangible assets), and liabilities. Identifiable intangible assets will then be amortised over their assessed useful life. In the event that the premium being paid to the Merger Companies net asset values is not allocated to identifiable intangible assets the residual will be subject to an impairment review and may be required to be impaired following completion, this would result in an expense in the Duxton Farms Historical Profit and Loss Statement.</p>
Potential impact of escrows if the Merger proceeds	<p>If the Merger Companies are acquired by Duxton Farms under the Merger, Duxton Farms Shares issued to the Escrowed Shareholders of those Merger Companies will be subject to escrow arrangements from completion of the Merger and will not be able to be traded until release from escrow. Further details in relation to escrows are included in section 15. These Duxton Farms Shares will not be available to contribute to the potential liquidity in Duxton Farms Shares until at least after those escrows have expired.</p> <p>Escrowed Shareholders may not be long term holders of Duxton Farms Shares. A significant sale of Duxton Farms Shares by some or all Escrowed Shareholders, or the perception that such sale may occur at the end of an escrow period, could adversely impact the price of Duxton Farms Shares. Conversely, the absence of any significant sell-down of Escrowed Shares may cause or contribute to a diminution in the liquidity of the market for the Duxton Farms Shares.</p>
Scheme Implementation Agreements	<p>Each Scheme Implementation Agreement contains a customary right for the parties to amend the terms of the Scheme Implementation Agreement with the agreement of the other party. If a material amendment is agreed between the parties, such as pricing or additional conditions precedent, it may result in a need for further Court scrutiny and re-engagement with shareholders of Duxton Farms or the relevant Merger Company, which may result in potential delays and complications with obtaining court approval and shareholder approval of the relevant Scheme.</p>
Merger completion	<p>Completion of the acquisitions of Merger Companies is conditional on various matters, including shareholder approvals of each of Duxton Farms and the relevant Merger Company and approval by the Court. Refer to section 14.2 for a summary of these conditions. There is no certainty that these conditions will be satisfied or waived or, if satisfied or waived, when that will occur. The satisfaction of a number of the conditions is outside the control of Duxton Farms and the Merger Companies.</p>



## Risks relating to the Merger

Duxton Farms only intends to proceed with the acquisition of Merger Companies if it will achieve sufficient scale and diversity from the Merger Companies that it otherwise is entitled to acquire. It therefore only proposes to proceed with the acquisition of any Merger Companies if it can acquire all of those Merger Companies or Duxton Dried Fruits, Duxton Bees and Duxton Walnuts. There is therefore a risk that no Merger Companies will be acquired under the current Merger even if Duxton Farms would otherwise be permitted to acquire one or some of the Merger Companies. Duxton Farms has and will incur significant transaction costs in relation to Merger – with most of these costs incurred by Duxton Farms even if the Merger does not proceed. These costs are likely to increase if an acquisition of a Merger Company is delayed.

There is therefore a risk that not all Merger Companies will be acquired by Duxton Farms, that the acquisition of one or more of the Merger Companies may be delayed or that none of the Merger Companies will be acquired by Duxton Farms. If the acquisition of the Merger Companies does not proceed, Duxton Farms will not enjoy the potential benefits that it is seeking to achieve through that acquisition.

Risks in relation to dilution and escrows in relation to the Merger are discussed separately under the headings "Dilution" and "Potential impact of escrows if the Merger proceeds".

### Reliance on information provided and analysis of Merger opportunity

Duxton Farms undertook a due diligence process in respect of the Merger Companies, which relied in part on information provided by or on behalf of the Merger Companies. If any such information relied upon by Duxton Farms in its due diligence and in its preparation of this Explanatory Memorandum and other materials given to ASX proves to be incorrect, incomplete or misleading, or if any of those due diligence enquiries failed to identify potential issues, there is a risk that the actual financial position and performance of the Merger Companies may be materially different to Duxton Farms' understanding, or the benefits from acquisitions of the Merger Companies will be less than anticipated.

There is also a risk that the due diligence conducted has not identified issues that would have been material to the decision (and on what terms to) acquire a Merger Company. A material adverse issue in an acquired Merger Company that has not been identified to date (or an issue that later proves to be more material than anticipated) could have an adverse impact on the reputation, financial performance or operations of Duxton Farms.

Further, as is usual in undertaking mergers and acquisitions, the due diligence process undertaken identified a number of risks associated with the Merger Companies which Duxton Farms had to evaluate and manage. There is a risk that the approach taken by Duxton Farms may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen or for which there is no contractual protection, and hence they may have a material adverse impact on Duxton Farms' operations, earnings and financial position.

There is also a risk that the actual results achieved by the Merger Companies following their acquisition are different to those assumed by Duxton Farms, and that the performance of Duxton Farms following the Merger may be different (including in a materially adverse way) from what is expected by Duxton Farms or reflected in this Explanatory Memorandum.

## 13.4 Risks relating to Duxton Farms Shares and general risks

### General risks

Share investment and market	There are various risks associated with investing in any form of business and with investing in listed entities generally. The value of Duxton Farms Shares, including following the Merger, will depend on many factors, including general share market
-----------------------------	--

## General risks

### conditions and liquidity

and economic conditions as well as the specific performance of the Merged Group. Share market conditions are affected by many factors such as:

- geopolitical conditions and general economic outlook;
- introduction of tax reform or other new legislation or policies, including fiscal policies;
- foreign exchange, interest and inflation rates;
- changes in investor sentiment in particular market sectors;
- commodity prices;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of Duxton Farms Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market. Duxton Farms does not warrant the future performance of Duxton Farms, the return on an investment in Duxton Farms, or the price at which Duxton Farms Shares will trade on the ASX. The past performance of Duxton Farms Shares is not necessarily an indication as to future performance.

There is also no guarantee that there will be an active market in Duxton Farms Shares and it may be difficult for investors to sell their Duxton Farms Shares if an active market does not exist in the future. Refer also to liquidity-related risks discussed under the heading "Potential impact of escrows if the Merger proceeds".

Duxton Farms announced a \$4.55m placement (**Placement**) on 26 June 2025 which comprises a:

- \$1.55m general placement to certain institutional and other exempt investors using Duxton Farms' existing placement capacity under Listing Rule 7.1;
- \$2.5m offer to entities associated with Richard Magides (**RM Placement**); and
- \$0.5m offer to entities associated with Ed Peter (**EP Placement**).

Duxton Farms proposes to use the funds from the Placement to partially fund the Cash Consideration payable to Scheme Shareholders and in connection with its development objectives.

### Underwriting of Placement and shareholder approval risk

Duxton Farms has entered into an underwriting agreement with Morgans Corporate Limited and Bell Potter Securities Limited (**Underwriters**) who have agreed to underwrite the Placement, subject to the terms and conditions of the underwriting agreement which is summarised in Appendix G of the investor presentation released by Duxton Farms to the ASX on 26 June 2025.

If certain conditions are not satisfied or certain events occur under the underwriting agreement prior to completion of the Placement (or such other time specified in relation to that termination event), the Underwriters may terminate the agreement. The ability of an Underwriter to terminate the underwriting agreement in respect of some events will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Placement, or could reasonably be expected to give rise to a contravention by, or liability for, the Underwriters under applicable law. If the underwriting agreement is terminated for any reason, then Duxton Farms may not receive the full or any amount of the proceeds expected under the Placement. See also the below comments under the heading "Additional requirements for capital".

The Placement including components of it will settle, and is conditional on, implementation of the Merger. In addition, the RM Placement and the EP Placement are each subject to approval by Duxton Farms shareholders. If the requisite shareholder approvals are not obtained for the RM Placement and the EP Placement, then Duxton Farms will not receive the proceeds expected under the RM Placement and EP Placement and, in respect of the remaining proceeds sought under the general component of the placement, this component will only be



## General risks

	underwritten pursuant to the terms of the underwriting agreement if the underwriting agreement is not otherwise terminated.
Dilution	<p>Duxton Farms may undertake offerings of securities in the future. Factors including the increase in the number of fully paid shares issued, the ability of an individual shareholder to participate in the equity offer and the issue price and the possibility of selling such securities, may have an adverse effect on the financial position or voting power of any individual shareholder.</p>
Additional requirements for capital	<p>As noted above, if the underwriting agreement is terminated, Duxton Farms is unlikely to receive the full, if any, proceeds from the Placement. This would result in Duxton Farms having fewer funds than it currently anticipates to apply to its existing working capital requirements and Duxton Farms existing strategic initiatives.</p> <p>Further, the Merger is not conditional upon funds being raised under the Placement and Duxton Farms would remain committed to pay the cash component of the Merger under the terms of the relevant Schemes, should those Schemes be approved and proceed. This would reduce the funds available to Duxton Farms to apply to its existing working capital requirements and Duxton Farms' existing strategic initiatives, as well as the working capital requirements and business initiatives in respect of the Merger Companies.</p> <p>In these events, Duxton Farms would need to seek alternative sources of funding, particularly if the Merger proceeded and the Placement did not, which may result in Duxton Farms being required to:</p> <ul style="list-style-type: none"> <li>• incur additional costs (for example, by way of interest payments on debt if it sought and obtained debt of funding);</li> <li>• obtain funding from the sale of existing assets;</li> <li>• raise equity capital on potentially less favourable, and potentially more dilutive, terms than the proposed Placement; and/or</li> <li>• being placed under greater restrictions on the manner in which Duxton Farms wishes to conduct and develop its businesses and deal with its assets, including those of the Merger Companies. For example, planned improvements, development and expansions (including those referred to above) may need to be deferred or scaled back, or greater restrictive covenants may be placed on Duxton Farms by funders.</li> </ul> <p>In any case, Duxton Farms may seek further equity or debt funding in the future, for example to fund working capital requirements, and further developments and expansion of its businesses, including through further acquisitions or mergers.</p> <p>There is no guarantee that alternative or additional funding could be sourced on terms satisfactory to Duxton Farms or at all which, if this occurred, could have a material adverse impact on Duxton Farms' financial position, performance, prospects and reputation.</p> <p>Further, should Duxton Farms experience a decrease in its revenue or profitability in the future, it may be forced to lower the amount of dividends to shareholders (or cease paying dividends), issue new shares or sell assets to reduce its debts and avoid being in breach of its financing arrangements (including financial covenants).</p>
Debt refinancing	<p>Each of the businesses of the Merger Companies is subject to debt financing arrangements with either Commonwealth Bank of Australia (<b>CBA</b>) or National Australia Bank (<b>NAB</b>). There are various risks to the businesses associated with these debt financing arrangements. NAB has consented to a change of control in respect of the facilities under which Duxton Dried Fruits is financed and has confirmed that equipment financing facilities do not require their consent for change of control. CBA and Duxton Farms have entered into a commitment letter in respect of a group financing arrangement proposed to be entered into between the Merged Group, CBA and NAB on a common terms deed basis (New Financing). It is expected the New Financing will become effective on the Implementation Date. NAB is supportive of the New Financing, subject to definitive</p>

## General risks

documentation being entered into in form and substance satisfactory to NAB. The New Financing is subject to conditions precedent which are standard for transactions of that nature.

There are various risks associated with this financing strategy, including:

- the availability of the New Financing is contingent upon a number of conditions precedent, including the negotiation and execution of definitive loan and security documents on terms and in form satisfactory to both CBA and NAB;
- if any condition precedent is not satisfied or waived, the New Financing may not become effective.

The failure to successfully implement the refinancing on terms consistent with current expectations may have a material adverse effect on the financial condition of the Merged Group.

### Debt funding

There are various risks to the businesses associated with debt financing arrangements which includes breach of debt covenants, incurring increased borrowing costs (for example, as a result of interest rate increases), exposure to restrictive covenants that constrain financing or strategic initiatives, not being able to meet financial commitments when they fall due and risks associated with sub-optimal use of capital and the potential adverse impacts that can have on a business' reputation with suppliers and creditors. Further, poor liquidity management can have a detrimental impact on a business' strategic flexibility and capacity to execute on its strategic objectives by taking advantage of favourable opportunities as they arise, being able to adapt to changing market conditions, invest in innovation or react in response to competitive pressures. A limit in strategic flexibility of this nature has the potential to hinder long term growth of the businesses and shareholder value.

### Changes in accounting standards

Changes in accounting or financial reporting standards, including those relating to the measurement and recognition of key statement of income and balance sheet items, including revenue, or in relation to climate reporting may adversely impact the statement of financial position or statement of the financial performance or cash flows reported by Duxton Farms. The preparation of Duxton Farms' financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies and financial reporting standards, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the estimates used in the calculation of provisions, the valuation of goodwill and intangible assets and the fair value of financial instruments.

### Investment manager

Duxton Farms' earnings and capital appreciation in part will depend on the strategic decisions made, and investment advice provided, by Duxton Capital. It is possible that these decisions or advice may result in outcomes that adversely impact the Merged Group's performance and position.

Further, there is no guarantee that Duxton Capital will be able to retain key employees who provide services to the Merged Group or, if those persons cease to be employed by Duxton Capital, that Duxton Capital will be able to attract and retain suitable replacement personnel.

The Investment Management Agreement between Duxton Farms and Duxton Capital contains certain termination rights which may be exercised by Duxton Farms (including for example, if Duxton Capital commits a material breach, becomes insolvent, loses its authorisations, undergoes a change of control without the Duxton Farms' consent, termination is required by law, or Duxton Farms terminates with six months' notice following shareholder approval) or exercised by Duxton Capital (including for example if Duxton Farms is subject to an insolvency event, there is a material breach by Duxton Farms or on 6 months' notice after the initial term). If the Investment Management Agreement is terminated, Duxton Farms will need to identify and engage a suitably qualified and experience investment manager to implement Duxton Farms' business objectives and

## General risks

investment strategy (or hire suitable employees itself). This may impact the financial performance, position and prospects of Duxton Farms.

Duxton Farms is proposing to amend the Investment Management Agreement with Duxton Capital. While the proposed amendments seek to refine the fee structure and the services provided by Duxton Capital, there is a risk that the proposed amendments, if approved, may have unintended consequences, for example, unforeseen costs associated with procuring the provision of services no longer provided under the revised Investment Management Agreement.

There is also a risk that Duxton Farms Shareholders may not approve the proposed amendments, or, if the amendments are approved, shareholders may later be view the revisions as less favourable than the terms of the existing IMA in light of future circumstances. If the amended Investment Management Agreement results in suboptimal investment decisions or management performance, this may adversely affect the financial performance, position, and prospects of the Merged Group.

Expected  
future events  
may not occur

Certain statements in this Explanatory Memorandum constitute forward-looking statements. Such forward-looking statements rely on various contingencies and assumptions and involve known and unknown risks, uncertainties and other factors which may cause Duxton Farms' actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, investors should not place undue reliance on forward-looking statements. In addition, under no circumstances should forward-looking statements be regarded as a representation or warranty that they will occur on the terms, or within the time frames referred to, or at all.

## 14. Additional information

### 14.1 Interests of Duxton Farms and Duxton Farms Directors

#### (a) Duxton Farms' interests and dealings in Merger Company Shares

The interests of Duxton Farms in the Merger Companies as at 1 September 2025 are as set out in the below table:

Merger Company	Merger Company Shareholder	Merger Company Shares	Interest
Duxton Bees	Duxton Farms Ltd	7,253,629 Duxton Bees Shares	Duxton Farms' holding represents approximately 23.2% of the total issued share capital in Duxton Bees.
Duxton Dried Fruits	Duxton Farms Ltd	9,752,940 Duxton Dried Fruits Shares	Duxton Farms' holding represents approximately 17.3% of the total issued share capital in Duxton Dried Fruits.
Duxton Orchards	Duxton Farms Ltd	None	None
Duxton Walnuts	Duxton Farms Ltd	None	None

Duxton Farms will not vote at the Scheme Meetings in respect of Duxton Bees' Scheme and Duxton Dried Fruits' Scheme. If the Schemes are implemented, Duxton Farms' voting power in each Merger Company it acquires will be 100%.

The interests of Duxton Farms Directors in the Merger Companies are disclosed in section 14.1(c).

As at 1 September 2025, Duxton Farms and its Associates have a Relevant Interest in the securities of the Merger Companies as follows:

- **Duxton Bees** - 7,890,952 fully paid preference shares in Duxton Bees (representing voting power of approximately 25.9% of the total Duxton Bees preference shares) and 826,944 fully paid ordinary shares in Duxton Bees (representing voting power of 100% of the total Duxton Bees ordinary shares).<sup>38</sup>
- **Duxton Dried Fruits** - 11,654,615 fully paid preference shares in Duxton Dried Fruits (representing voting power of approximately 22.0% of the total Duxton Dried Fruits preference shares) and 3,565,016 fully paid ordinary shares in Duxton Dried Fruits (representing voting power of 100% of the total Duxton Dried Fruits ordinary shares).<sup>39</sup>
- **Duxton Walnuts** - 1,022,166 fully paid preference shares in Duxton Walnuts (representing voting power of approximately 9.3% of the total Duxton Walnuts preference shares) and 1,402,778 fully paid ordinary shares in Duxton Walnuts (representing voting power of 100% of the total Duxton Walnuts ordinary shares);<sup>40</sup> and
- **Duxton Orchards** - 5,225,294 fully paid preference shares in Duxton Orchards (representing voting power of approximately 26.0% of the total Duxton Orchards preference shares) and 1,657,652 fully paid ordinary shares in Duxton Orchards (representing voting power of 100% of the total Duxton Orchards ordinary shares).<sup>41</sup>

(b) **Duxton Farms Directors' interests in Duxton Farms Shares**

The interests of Duxton Farms Directors in Duxton Farms Shares as at 1 September 2025 are set out in the table below:

Duxton Farms Director (and associated entities)	Duxton Farms Shares held at 1 September 2025
Ed Peter	Ed Peter has an interest in 10,644,466 Duxton Farms Shares. This comprises 306,000 Duxton Farms Shares held directly by Ed Peter, a 92.42% economic interest in Duxton Capital Investments which holds 400,088 Duxton Farms Shares and the balance of the Duxton Farms Shares held by the other Ed Peter Entities. <sup>42</sup>

<sup>38</sup> This represents shares in Duxton Bees (and associated voting power) held by Duxton Farms and its Associates' Relevant Interests (being the Relevant Interests of Ed Peter, Stephen Duerden and Mark Harvey). In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 2,041,177 fully paid preference shares in Duxton Bees.

<sup>39</sup> This represents shares in Duxton Dried Fruits (and associated voting power) held by Duxton Farms and its Associates' Relevant Interests (being the Relevant Interests of Ed Peter and Stephen Duerden). In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 3,785,168 fully paid preference in Duxton Dried Fruits and he has a 10.51% economic interest in Duxton Agricultural Holdings which holds 5,720,009 fully paid preference shares in Duxton Dried Fruits.

<sup>40</sup> This represents shares in Duxton Walnuts (and associated voting power) held by Duxton Farms and its Associates' Relevant Interests (being the Relevant Interests of Ed Peter and Stephen Duerden). In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 1,263,737 fully paid preference shares in Duxton Walnuts.

<sup>41</sup> This represents shares in Duxton Orchards (and associated voting power) held by Duxton Farms and its Associates' Relevant Interests (being the Relevant Interests of Ed Peter and Stephen Duerden). In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 1,764,706 fully paid preference shares in Duxton Orchards.

<sup>42</sup> The following Ed Peter Entities hold 10,644,466 Duxton Farms Shares as at 1 September 2025: the Peter Family Trust - 7,948,737 Duxton Farms Shares; BNP Paribas NOMS Pty Ltd - 1,989,641 Duxton Farms Shares; Edouard Fernen Peter - 306,000 Duxton Farms Shares; Duxton Capital Investments, in which Ed Peter has a 92.42% economic interest - 400,088 Duxton Farms Shares.

Duxton Farms Director (and associated entities)	Duxton Farms Shares held at 1 September 2025
Mark Harvey	157,713
Paul Burke	None
Rachel Triggs	None
Stephen Duerden	Stephen Duerden has an interest in 410,088 Duxton Farms Shares. This comprises a 7.58% interest in Duxton Capital Investments which holds 400,088 Duxton Farms Shares and the balance of the Duxton Farms Shares held by entities associated with Stephen Duerden.
Wade Dabinett	99,350

(c) **Duxton Farms Directors' interests in Merger Companies**

The interests of Duxton Farms Directors in the issued capital of the Merger Companies as at 1 September 2025 are as set out in the below table:

Merger Company	Duxton Farms Director	Merger Company Shares held
Duxton Orchards	Ed Peter	Ed Peter has a 92.42% economic interest in Duxton Capital Investments which holds 5,225,294 Duxton Orchards Shares and 1,657,652 ordinary shares in Duxton Orchards. <sup>43</sup>
Duxton Orchards	Stephen Duerden	Stephen Duerden has a 7.58% economic interest in Duxton Capital Investments which holds 5,225,294 Duxton Orchards Shares and 1,657,652 ordinary shares in Duxton Orchards
Duxton Bees	Ed Peter	Ed Peter has a 92.42% economic interest in Duxton Capital Investments which holds 537,323

<sup>43</sup> In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 1,764,706 Duxton Orchards Shares.

Merger Company	Duxton Farms Director	Merger Company Shares held
		Duxton Bees Shares and 826,944 ordinary shares in Duxton Bees <sup>44</sup>
Duxton Bees	Stephen Duerden	Stephen Duerden has a 7.58% economic interest in Duxton Capital Investments which holds 537,323 Duxton Bees Shares and 826,944 ordinary shares in Duxton Bees <sup>45</sup>
Duxton Bees	Mark Harvey	100,000 Duxton Bees Shares
Duxton Dried Fruits	Ed Peter	Ed Peter has an interest in 1,973,704 Duxton Dried Fruits Shares and 3,565,016 ordinary shares in Duxton Dried Fruits. This comprises a 92.42% economic interest in Duxton Capital Investments and Duxton Capital which hold 1,678,601 Duxton Dried Fruits Shares and 3,565,016 ordinary shares in Duxton Dried Fruits and the balance of the Duxton Dried Fruits Shares held by other Ed Peter Entities. <sup>46</sup>
Duxton Dried Fruits	Stephen Duerden	Stephen Duerden has a 7.58% economic interest in Duxton Capital Investments and Duxton Capital which hold 1,678,601 Duxton Dried Fruits Shares and 3,565,016 ordinary shares in Duxton Dried Fruits <sup>47</sup>
Duxton Walnuts	Ed Peter	Ed Peter has an interest in 1,022,166 Duxton Walnuts Shares and 1,402,778 ordinary shares in Duxton Walnuts. This comprises a 92.42% economic interest in Duxton Capital Investments which holds 945,242 Duxton Walnuts Shares

<sup>44</sup> In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 2,041,177 Duxton Bees Shares. Ed also has an economic interest in Duxton Farms as described in section 14.1(b) which holds 7,253,629 Duxton Bees Shares.

<sup>45</sup> In addition, Stephen Duerden has an economic interest in Duxton Farms as described in section 14.1(b) which holds 7,253,629 Duxton Bees Shares.

<sup>46</sup> In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 3,785,168 Duxton Dried Fruits Shares. He has a 10.51% economic interest in Duxton Agricultural Holdings Trust which holds 5,720,009 Duxton Dried Fruits Shares and an economic interest in Duxton Farms as described in section 14.1(b) which holds 9,752,940 Duxton Dried Fruits Shares.

<sup>47</sup> In addition, Stephen Duerden has an economic interest in Duxton Farms as described in section 14.1(b) which holds 9,752,940 Duxton Dried Fruits Shares.

Merger Company	Duxton Farms Director	Merger Company Shares held
		and 1,402,778 ordinary shares in Duxton Walnuts and the balance of the Duxton Walnuts Shares held by the other Ed Peter Entities. <sup>48</sup>
Duxton Walnuts	Stephen Duerden	Stephen Duerden has a 7.58% economic interest in Duxton Capital Investments which holds 945,242 Duxton Walnuts Shares and 1,402,778 ordinary shares in Duxton Walnuts

(d) **Common directorship of Merger Companies and Duxton Farms**

The following Duxton Farms Directors have been directors of a Merger Company in the 2 years prior to the date of this Explanatory Memorandum:

Merger Company	Common director(s)	Appointment Date	Retirement Date
Duxton Bees	Ed Peter	2 August 2019	Not applicable
	Mark Harvey	27 August 2021	25 October 2024
Duxton Dried Fruits	Ed Peter	7 August 2017	Not applicable
	Stephen Duerden	7 August 2017	Not applicable
	Wade Dabinett	4 April 2024	8 November 2024
Duxton Orchards	Ed Peter	28 November 2011	Not applicable
	Stephen Duerden	10 February 2022	Not applicable

The Merger Companies established independent Merger Company Sub-committees to evaluate the Merger and the above named common directors were not involved in the decision making process of the Merger Companies or Duxton Farms. Further details about the conflict management is set out in section 3.9.

---

<sup>48</sup> In addition, Ed Peter controls the trustee of DDAF and holds a 4.01% economic interest in DDAF which holds 1,263,737 Duxton Walnuts Shares.



## 14.2 Key terms of Scheme Implementation Agreements and Ordinary Share SPAs

Type of information	Details or location of information
Material terms of the SIAs	<p>Under the scheme implementation agreements (<b>SIA</b>):</p> <ul style="list-style-type: none"> <li>(a) each Merger Company has, among other things: <ul style="list-style-type: none"> <li>(i) agreed to propose a members' scheme of arrangement under Part 5.1 of the Corporations Act under which all the preference shares on issue in that Merger Company will be transferred to Duxton Farms on and subject to the terms and conditions set out in the relevant SIA; and</li> <li>(ii) represented and warranted that all of its directors have confirmed that they will unanimously recommend that its shareholders vote in favour of the Scheme and will vote, or procure the voting of, all shares in the Merger Company which they own or in which they have a Relevant Interest in favour of the Scheme, in each case in the absence of a superior proposal emerging for that Merger Company and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of that Merger Company's Shareholders;</li> </ul> </li> <li>(b) Duxton Farms has, among other things: <ul style="list-style-type: none"> <li>(i) agreed to convene an extraordinary general meeting of Duxton Farms Shareholders to consider and vote on Resolutions 3 and 4; and</li> <li>(ii) represented and warranted that all of Duxton Farms' Directors have confirmed that they will unanimously recommend that Duxton Farms Shareholders vote in favour of the resolutions that require the approval of Duxton Farms' Shareholders for the Merger and vote in favour of those resolutions in respect of all Duxton Farms Shares they own or in which they have a Relevant Interest, in each case in the absence of a superior proposal for Duxton Farms and subject to the Duxton Farms independent expert concluding (and continuing to conclude) that acquisition of Merger Company shares from certain Merger Company Shareholders are fair and reasonable or not fair but reasonable;</li> </ul> </li> <li>(c) Duxton Farms and each Merger Company have agreed to conduct their respective businesses in the ordinary course with restrictions on specified actions, including acquisitions, disposals, entry into material contracts, providing financial accommodation, commencing or settling of legal proceedings, capital expenditure and other customary actions over specified thresholds;</li> <li>(d) Duxton Farms and each Merger Company have agreed to consult on, consider comments on, provide information for and update key disclosure documents in respect of the Merger;</li> <li>(e) Duxton Farms and each Merger Company have agreed deal protection mechanisms, including a 1% break fee (payable by Duxton Dried Fruits) or a 3% break fee (payable by each other Merger Company). The parties have also agreed to customary exclusivity arrangements in favour of the respective Merger Company (including "no shop", "no talk" and "no due diligence" restrictions and notification obligations, with customary "fiduciary outs") and a matching right in favour of Duxton Farms.</li> <li>(f) Duxton Farms and each Merger Company have agreed to standard termination provisions and customary representations and warranties; and</li> <li>(g) Duxton Farms and each Merger Company have agreed to the conditions to the Scheme as described below.</li> </ul> <p>A copy of the form of SIA entered into by each Merger Company (with key factual differences between the executed versions noted in that form) is included with the Transaction Announcement at Schedule D.</p> <p>In addition to each Scheme being conditional on approval by the requisite majorities of the relevant Merger Company's Shareholders (discussed further below) and the satisfaction or waiver of a number of other conditions (discussed further below), each Scheme requires the approval of Duxton Farms Shareholders</p>

Type of information	Details or location of information
<p>Details of any regulatory approvals or waivers or other material conditions that must be satisfied for the Schemes to proceed</p>	<p>of Resolutions 3 and 4 as set out in this Notice of Meeting and Explanatory Memorandum. If the requisite approval from Duxton Farms Shareholders is not obtained, the Merger will not proceed.</p> <p>Each Scheme is subject to a number of conditions including:</p> <ul style="list-style-type: none"> <li>(a) <b>ASIC and ASX approvals:</b> ASIC and ASX provide all necessary consents, waivers, or approvals for the Scheme which Duxton Farms and the relevant Merger Company agree are reasonably necessary to implement the Scheme;</li> <li>(b) <b>FIRB approval:</b> The Treasurer issues a "no objection" notification in respect of relevant actions required to implement the relevant Scheme;</li> <li>(c) <b>No restraints:</b> There are no court orders, injunctions, or other legal restrictions preventing the relevant Scheme;</li> <li>(d) <b>No material adverse change:</b> A material adverse change does not occur in respect of Duxton Farms or the relevant Merger Company;</li> <li>(e) <b>No prescribed occurrence:</b> A prescribed occurrence does not occur in respect of Duxton Farms or the relevant Merger Company;</li> <li>(f) <b>DBF shareholder approval:</b> Duxton Farms' Shareholders approve the requisite resolutions by the required majorities – such approvals under ASX Listing Rule 10.1 are detailed above;</li> <li>(g) <b>Merger Company preference shareholder approval:</b> The relevant Merger Company's preference shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act;</li> <li>(h) <b>ASX quotation of DBF Shares:</b> The new Duxton Farms shares to be issued as part of the Scheme are approved for official quotation on the ASX;</li> <li>(i) <b>Merger Company warranties:</b> The warranties given by the relevant Merger Company remain true and correct in all material respects;</li> <li>(j) <b>Duxton Farms Warranties:</b> The warranties given by the Duxton Farms remain true and correct in all material respects;</li> <li>(k) <b>Scheme independent expert report:</b> The independent expert for the Scheme opines that the Scheme is in the best interests of that Merger Company's preference shareholders and does not withdraw or change its conclusion;</li> <li>(l) <b>Notice of meeting independent expert report:</b> The independent expert for the Duxton Farms' Extraordinary General Meeting opines for the purposes of ASX Listing Rule 10.1 that the transactions comprising the acquisition of Merger Company shares from certain of the Merger Company's preference shareholders are fair and reasonable, or not fair but reasonable, to Duxton Farms shareholders<sup>49</sup>; and</li> <li>(m) <b>Court approval:</b> The Court approves under section 411(4)(b) of the Corporations Act: <ul style="list-style-type: none"> <li>(i) the relevant Merger Company's Scheme; and</li> <li>(ii) the Schemes in respect of a Successful Combination of Entities<sup>50</sup>.</li> </ul> </li> </ul> <p>The above is a summary only of the conditions precedent of the Merger. For full details of the conditions precedent, please refer to clause 3 of the SIA.</p> <p>In the event the conditions under an SIA are not satisfied by 31 December 2025, then either Duxton Farms or the relevant Merger Company may terminate their SIA.</p>
<p>Material terms of the Ordinary Share SPAs</p>	<p>The Ordinary Share SPAs provide that Duxton Farms will acquire all the issued ordinary shares in the Merger Companies from Duxton Capital Investments, a company controlled by Ed Peter, conditional on the implementation of the Schemes. Completion under each Ordinary Share SPA will take place contemporaneously with the acquisition of preference shares in the relevant Merger Company in accordance with the terms of the relevant Scheme.</p>

<sup>49</sup> Other than any Duxton Farms Shareholder whose votes are to be disregarded pursuant to applicable law. Refer to Resolution 3 and 4.

<sup>50</sup> Under each SIA, a Successful Combination of Entities is either (1) all four Merger Companies or (2) Duxton Dried Fruits, Duxton Bees and Duxton Walnuts.

Type of information	Details or location of information
	<p>In respect of Duxton Walnuts and Duxton Bees, the consideration payable by Duxton Farms to Duxton Capital Investments for the ordinary shares will be Duxton Farms Shares only, which will be issued to Duxton Capital Investments upon completion, subject to Duxton Farms Shareholders approving Resolutions 1 and 2 as set out in the Notice of Meeting and Explanatory Memorandum under ASX Listing Rule 10.11 in respect of the issue of such scrip consideration to Duxton Capital Investments (calculated at \$1.25 per Duxton Farms Share in respect of Duxton Walnuts and Duxton Bees). If such approval is not obtained, Duxton Capital Investments will receive a cash payment equal to the implied value of the scrip consideration instead.</p> <p>In respect of Duxton Dried Fruits and Duxton Orchards, the consideration for the ordinary shares is nil.</p> <p>The Ordinary Share SPAs include customary obligations of both parties at completion including that Duxton Capital Investments must transfer the shares free of encumbrances, provide necessary documentation (e.g., share transfer forms and board resolutions), and accept the scrip consideration (in the case of the sale of ordinary shares in Duxton Walnuts and Duxton Bees). In turn, Duxton Farms must issue the scrip consideration, ensure the Duxton Farms Shares issued to Duxton Capital Investments are fully paid and listed on the ASX.</p> <p>Any scrip consideration issued to Duxton Capital Investments will be subject to the escrow arrangements as set out below.</p> <p>Each Ordinary Share SPA includes customary representations and warranties by both parties, and termination rights if the Merger does not proceed.</p>

## 15. Escrow Arrangements

### (a) Overview of escrow arrangements

Duxton Farms Shares issued as Scrip Consideration under a Scheme to the following Scheme Shareholders are to be escrowed:

- Scheme Shareholders who are issued, in aggregate, 200,000 or more Duxton Farms Shares pursuant to the Schemes of all Merger Companies in which they are a Scheme Shareholder, subject to the exception for Small Beneficial Holder Shares (discussed below); and
- Scheme Shareholders:
  - who are or have been a director of a Merger Company or a Duxton Farms Director;
  - in respect of whose Scheme Shares a person who or has been a director of a Merger Company or a Duxton Farms Director has or had a Relevant Interest;
  - that are trustees of a discretionary trust in respect of which a person who or has been a director of a Merger Company or a Duxton Farms Director was, is or is entitled to be a beneficiary; or
  - that are trustees of a trust in respect of whose Scheme Shares a person who or has been a director of a Merger Company or a Duxton Farms Director has or had a Relevant Interest,

at any time since 26 June 2025 as determined by Duxton Farms, acting reasonably.

Duxton Farms Shares issued to Duxton Capital Investments as consideration for its ordinary shares in Duxton Bees and Duxton Walnuts are also to be escrowed.

The Escrowed Shares, together with the escrowed shares of Duxton Capital Investments, are expected to represent up to approximately 50.8% of the Duxton Farms Shares after the Merger and the Placement, assuming that all Merger Companies are acquired by Duxton Farms, that all Scheme Shareholders receive 20% of their Scheme Consideration as Cash Consideration and Duxton Farms Shareholders approve the RM Placement and EP Placement. The figure is also based on shareholdings of the Merger Company Shareholders and Duxton Capital Investments as at the date of this Explanatory Memorandum and before any exemptions for Small Beneficial Holder Shares.

Escrows are to be implemented through operation of the Schemes and Ordinary Share SPAs in respect of Duxton Capital Investments).

Under the terms of the escrows, Escrowed Shareholders will be restricted from dealing in their Escrowed Shares (subject to customary exceptions), with Escrowed Shares to be released from escrow in tranches in accordance with the schedule below:

- one third of the Escrowed Shares will be released on 4.15pm (Sydney time) on the day which is the earlier of the day of announcement of Duxton Farms' financial results for the half year ended 31 December 2025 and the date which is 6 months after the issue of the Duxton Farms Shares to be escrowed to the Scheme Shareholder;
- one third of the Escrowed Shares will be released on 4.15pm (Sydney time) on the day which is the earlier of the day of announcement of Duxton Farms' financial results for the year ended 30 June 2026 and the date which is 12 months after the issue of the Duxton Farms Shares to be escrowed to the Scheme Shareholder; and
- one third of the Escrowed Shares will be released on 4.15pm (Sydney time) on the date which is the earlier of the day of announcement of Duxton Farms' financial results for the period ending 31 December 2026 and the date which is 18 months after the issue of the Duxton Farms shares to be escrowed to the Scheme Shareholder.

Exclusions from the escrow arrangements will be available in respect of 'Small Beneficial Holder Shares' per the terms of the relevant Scheme. This exception has been previously described in the Transaction Announcement.

## 16. Glossary

Term	Definition
<b>Alternative Proposal</b>	<p>In respect of a Merger Company, a proposed transaction or arrangement (whether by way of takeover, share acquisition, scheme of arrangement, capital reconstruction, acquisition of assets or otherwise) under which a person other than Duxton Farms would, if the proposed transaction or arrangement is entered into or completed substantially in accordance with its terms:</p> <ul style="list-style-type: none"> <li>(a) acquire Control of, or otherwise merge or amalgamate with, the Merger Company;</li> <li>(b) acquire, whether alone or together with its Associates, a Relevant Interest in any shares of the Merger Company, as a result of which the person, together with any Associates, will have: <ul style="list-style-type: none"> <li>a. if those persons did not have Relevant Interests in 20% or more of the shares in the Merger Company in aggregate immediately prior to the Alternative Proposal, Relevant Interests in 20% or more of the shares in the Merger Company in aggregate; or</li> <li>b. if those persons already had Relevant Interests in 20% or more of the shares in the Merger Company in aggregate immediately prior to the Alternative Proposal, Relevant Interests in not less than 3% or more of the shares in the Merger Company in aggregate than they had immediately prior to the Alternative Proposal; or</li> </ul> </li> <li>(c) directly or indirectly acquire, have a right to acquire or otherwise acquire an economic interest in all or a substantially all of the business, assets or undertaking of the Merger Company.</li> </ul>
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given to that term in ASX Listing Rule 19, unless the context otherwise requires.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.
<b>Computershare</b>	Computershare Investor Services Pty Limited.
<b>Control</b>	Has the meaning given in the Corporations Act
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Corporations Regulations</b>	Corporations Regulations 2001 (Cth).
<b>DCI 10.11 Issue for Merger Company Ordinary Shares</b>	Has the meaning given in section 12.5.
<b>DDAF</b>	Sandhurst Trustee Ltd as sub-custodian of the Duxton Diversified Agricultural Fund
<b>Default Scrip Consideration</b>	Has the meaning given in section 3.4(a).
<b>Deed Poll</b>	In respect of a Merger Company, the deed poll executed by Duxton Farms on 29 August 2025 in favour of the Scheme Shareholders of the Merger Company.

Term	Definition
<b>Duxton Agricultural Holdings</b>	Duxton Agricultural Holdings Pty Ltd ACN 628 988 572
<b>Duxton Bees</b>	Duxton Bees Pty Ltd ACN 635 272 070.
<b>Duxton Capital</b>	Duxton Capital (Australia) Pty Ltd ACN 164 225 647.
<b>Duxton Capital Investments</b>	Duxton Capital Investments Pty Ltd ACN 637 749 921.
<b>Duxton Dried Fruits</b>	Duxton Dried Fruits Pty Ltd ACN 620 930 154.
<b>Duxton Farms or DBF</b>	Duxton Farms Ltd ACN 129 249 243.
<b>Duxton Farms Board</b>	The board of directors of Duxton Farms comprising Ed Peter; Stephen Duerden; Mark Harvey; Wade Dabinett; Paul Burke; Rachel Triggs and Katelyn Adams
<b>Duxton Farms Director</b>	A director of Duxton Farms
<b>Duxton Farms Independent Directors</b>	The independent directors of Duxton Farms comprising Mark Harvey; Wade Dabinett; Paul Burke and Rachel Triggs
<b>Duxton Farms Share</b>	A fully paid ordinary share in the capital of Duxton Farms
<b>Duxton Farms Share Register</b>	The register of shareholders of Duxton Farms maintained by or on behalf of Duxton Farms in accordance with section 168(1) of the Corporations Act.
<b>Duxton Farms Shareholder</b>	A person who is registered in the Duxton Farms Share Register as a holder of Duxton Farms Shares.
<b>Duxton Farms Sub-committee</b>	The sub-committee of Duxton Farms Directors established pursuant to the Conflicts Policy to consider the Merger, comprising of Mark Harvey; Wade Dabinett; Paul Burke and Rachel Triggs.
<b>Duxton Orchards</b>	Duxton Orchards Pty Ltd ACN 616 154 379.
<b>Duxton Walnuts</b>	Duxton Dairies (Cobram) Pty Ltd ACN 602 459 638.
<b>Ed Peter</b>	Edouard Peter
<b>Effective</b>	When used in relation to a Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>EFP Nominees</b>	EFP Nominees Pty Ltd as trustee for the E & J Peter Superannuation Fund
<b>Election Scrip Consideration</b>	Has the meaning given in section 3.4(a).
<b>End Date</b>	in respect of a Merger Company, the later to occur of 31 December 2025 and such other date agreed in writing between Duxton Farms and that Merger Company.
<b>EP 10.1 Entities</b>	Include: (a) EFP Nominees, Duxton Capital Investments, Duxton Capital and Duxton Agricultural Holdings, companies controlled by Ed Peter, a director of Duxton Farms; and

Term	Definition
	(b) DDAF. DDAF's trustee and custodian are companies controlled by Ed Peter (being Duxton Agri Services Pty Ltd and the Investment Manager respectively).
<b>EP Merger Company Shares</b>	Shares in the capital of a Merger Company held by the EP 10.1 Entities as described further in section 12.3(b).
<b>EP Placement</b>	The placement offered to the EP Placement Entity described in section 10.
<b>EP Placement Entity</b>	EFP Group Holdings Pty Ltd acting as custodian for the Peter Family Trust.
<b>Explanatory Memorandum</b>	The explanatory memorandum which is attached to or accompanies, and is incorporated as part of the Notice of Meeting, and includes any schedule or document annexed to it or incorporated by reference.
<b>FIRB</b>	Australia's Foreign Investment Review Board.
<b>Glossary</b>	This section 16.
<b>Grant Thornton</b>	Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 256 987 a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389, holder of Australian Financial Services Licence No. 247140.
<b>Implementation</b>	The implementation of the Scheme of a Merger Company, being the transfer of the Merger Company Shares held by Scheme Shareholders in that Merger Company to Duxton Farms and the provision of the Scheme Consideration to the Scheme Shareholders of that Merger Company.
<b>Independent Expert</b>	RSM Corporate Australia Pty Ltd CAN 050 508 024.
<b>Independent Expert's Report</b>	As relevant: (a) in respect of Resolutions 3, 4 and 5, the report of the Independent Expert in Annexure A; and (b) in respect of Resolution 6, the report of the Independent Expert in Annexure C, and Independent Expert's Reports means both the reports in (a) and (b).
<b>Initial Term</b>	Has the meaning given in clause 11.2
<b>Investment Management Agreement</b>	The investment management agreement between Duxton Farms and the Investment Manager dated 7 November 2017 as amended by the Amendment Deed dated 12 January 2018 and, as proposed to be approved by Shareholders in Resolution 6, in the form set out in the copy released by Duxton Farms to the ASX on 4 September 2025.
<b>Investment Manager</b>	Duxton Capital (Australia) Pty Ltd ACN 164 225 647.
<b>Investor Presentation</b>	The investor presentation released by Duxton Farms to ASX on 26 June 2025 in respect of, among other things, the Merger and Placement.
<b>Joint Lead Managers</b>	Morgans Corporate Limited and Bell Potter Securities Limited.
<b>Listing Rules</b>	The official listing rules of the ASX.
<b>Management Fee</b>	Has the meaning given in section 11.2
<b>Meeting (or Extraordinary General Meeting)</b>	The extraordinary general meeting of Duxton Farms at which the Resolutions will be considered by Shareholders.



Term	Definition
<b>Merged Group</b>	Following implementation of the Merger, the group comprising Duxton Farms and the Merger Companies acquired as part of the Merger and their respective subsidiaries.
<b>Merger</b>	Proposed acquisition by Duxton Farms of all of the shares it does not already own in all Merger Companies or Duxton Dried Fruits, Duxton Walnuts and Duxton Bees, by means of the relevant Schemes and the acquisitions of ordinary shares under the relevant Ordinary Share SPAs.
<b>Merger Company</b>	Each of Duxton Bees, Duxton Dried Fruits, Duxton Orchards and Duxton Walnuts, and together mean the Merger Companies.
<b>Merger Company Notice of Meeting Information</b>	Information regarding a Merger Company in the Notice of Meeting and Explanatory Memorandum, including information (including pro forma information) relating to or forming part of the information about the Merged Group to the extent it relates to a Merger Company (except that any statement of intention relating to the Merged Group or a Merger Company following the date which the Scheme becomes Effective will not Merger Company Notice of Meeting Information), other than certain information including the Independent Expert Reports (except that information will not be excluded from the Merger Company Notice of Meeting Information to the extent that a Merger Company provided information to the Independent Expert for the purposes of preparing the Independent Expert Reports).
<b>Merger Company Shareholders</b>	Each person who is registered as a holder of fully paid preference shares in the issued capital of each Merger Company.
<b>Merger Company Sub-committee</b>	In respect of: <ul style="list-style-type: none"> <li>• Duxton Bees, the sub-committee comprising: Keegan Blignaut and Stefano Marafiotte;</li> <li>• Duxton Dried Fruits, the sub-committee comprising: Jamie Bartlett and Andrew Lord;</li> <li>• Duxton Walnuts, the sub-committee comprising: Benjamin Ferro and Derek Goulet; and</li> <li>• Duxton Orchards, the sub-committee comprising: Brett Goodin.</li> </ul>
<b>Notice of Meeting</b>	The notice dated 4 September 2025 for the Meeting accompanying this Explanatory Memorandum.
<b>Ordinary Share SPAs</b>	The share purchase agreements dated 26 June 2025 pursuant to which the ordinary shares in each Merger Company (held by Duxton Capital Investments) will be acquired by Duxton Farms contemporaneously with Implementation of the Scheme relevant to the Merger Company.
<b>PKF</b>	PKF Adelaide ABN 17 661 180 227.
<b>Placement</b>	The placement by Duxton Farms described in section 10 (which comprises the General Placement, EP Placement and RM Placement).
<b>Record Date</b>	6.30pm (Adelaide time), Thursday 9 October 2025
<b>Relevant Interest</b>	Has the meaning given in the Corporations Act.
<b>Representatives</b>	in relation to a party: <ul style="list-style-type: none"> <li>(a) its, its subsidiaries (if any), and each of their officers and employees;</li> <li>(b) its professional advisers and agents engaged in relation to the Merger; and</li> <li>(c) Duxton Farms team members (in the case of Duxton Farms) and Merger Company team members (in the case of Merger Company), as described in limb (c) of the definition of 'Representative' in the SIA.</li> </ul>

Term	Definition
<b>Resolutions</b>	Each of the resolutions in the Notice of Meeting to be voted on by Duxton Farms Shareholders at the Meeting.
<b>RM Merger Company Shares</b>	Shares in the capital of a Merger Company held by Richard Magides as described further in section 12.4.
<b>RM Placement</b>	The placement offered to Richard Magides described in section 10.
<b>Scheme Book</b>	Has the meaning given in section 3.5.
<b>Scheme Consideration</b>	The consideration payable to Scheme Shareholders on Implementation of the Schemes, comprising Duxton Farms Shares with the ability to make an election to receive up to 20% of the Scheme Consideration in cash.
<b>Scheme Meeting</b>	In respect of a Merger Company, the meeting of that Merger Company's Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in relation to that Scheme, and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Record Date</b>	In respect of a Merger Company. 5:00pm on the date which is two Business Days after the date that the relevant Scheme becomes Effective or such other time and date agreed in writing between Duxton Farms and that Merger Company.
<b>Scheme Shareholders</b>	In respect of each Merger Company, the holders of Merger Company Shares on issue in that Merger Company on the Scheme Record Date.
<b>Schemes</b>	The schemes of arrangement under Part 5.1 of the Corporations Act between the Merger Companies and their respective Scheme Shareholders under which Duxton Farms proposes to acquire all preference shares it does not already own in the Merger Companies (each a <b>Scheme</b> ).
<b>Scrip Consideration</b>	The Duxton Farms Shares to be issued to Scheme Shareholders pursuant to the terms of the relevant Scheme.
<b>SIA or Scheme Implementation Agreement</b>	The scheme implementation agreement entered into by each Merger Company (with key factual differences between the executed versions noted in that form) included in Schedule D to the Transaction Announcement.
<b>Special Dividend</b>	The one-off 85% franked dividend of \$0.24 per Share to be paid to eligible Shareholders by Duxton Farms on the terms described in the Transaction Announcement.
<b>Successful Combination</b>	Either all Merger Companies or Duxton Bees, Duxton Walnuts and Duxton Dried Fruits.
<b>Superior Proposal</b>	<p>In respect of a Merger Company, means a bona fide Alternative Proposal, not resulting from a breach by the Merger Company of any of its obligations under clause 8 of the relevant Scheme Implementation Agreement, which the board of directors of the Merger Company, acting in good faith and in order to satisfy what the board considers to be its fiduciary and statutory duties, and after receiving written advice from its legal and financial advisers, unanimously determines:</p> <ul style="list-style-type: none"> <li>(a) is reasonably capable of being valued and completed substantially in accordance with its terms by the End Date; and</li> <li>(b) would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to shareholders in the Merger Company (taken as a whole) than the transaction implemented by the relevant Scheme (as the transaction may be amended or varied</li> </ul>

Term	Definition
	<p>following the application of the matching right set out in clause 8.6 of the relevant Scheme Implementation Agreement),</p> <p>(c) taking into account (as a whole) all aspects of the Alternative Proposal and the transaction implemented by the relevant Scheme (as the transaction may be amended or varied following the application of the matching right set out in clause 8.6 in the relevant Scheme Implementation Agreement), including the consideration (including the value, nature, liquidity and attractiveness of any scrip based consideration), conditions, the identity, reputation and financial condition of the person making the Alternative Proposal, and all relevant legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant Alternative Proposal being completed in accordance with its terms.</p>
<b>Transaction Announcement</b>	The announcement released by Duxton Farms to ASX on 26 June 2025 in respect of, among other things, the Merger and Placement.
<b>Undertaking</b>	The undertaking provided by Duxton Farms in favour of the Investment Manager in the deed of undertaking dated 31 January 2018 that it will obtain the approval of ordinary security holders for any material changes to the Investment Management Agreement.

## Schedule 1 – Historical financial information on Merger Companies and Duxton Farms

### 1.1 Duxton Bees Historical Financial Information

This section sets out the historical financial information of Duxton Bees (**Duxton Bees Historical Financial Information**) which summarises certain historical financial information about Duxton Bees for the financial years ended 30 June 2022 (FY22), 30 June 2023 (FY23), 30 June 2024 (FY24) and the half-year ended 31 December 2024 (HY25).

The financial information in this section is a summary only and has been prepared and extracted for the purposes of this Explanatory Memorandum only.

As Duxton Bees is not a disclosing entity, a public company, a large proprietary company, a registered scheme, a registrable superannuation entity or a small proprietary company to which section 292(2) of the Corporations Act applies, it is not required to prepare annual financial reports under Part 2M.3 of the Corporations Act. On this basis, the Duxton Bees Historical Financial Information does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

#### (a) **Basis of preparation and presentation of the Duxton Bees Historical Financial Information**

The Duxton Bees Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Accounting Standards and is presented on a stand-alone basis. Accordingly, it does not reflect any impact of the Implementation of the Duxton Bees Scheme.

The Duxton Bees financial statements upon which the Duxton Bees Historical Financial Information was prepared for:

- the years ended 30 June 2022, 30 June 2023 and 30 June 2024 were audited by PKF in accordance with the Australian Auditing Standards. PKF issued unqualified audit opinions on these financial statements; and
- the half-year ended 31 December 2024 and comparatives were reviewed by PKF. PKF issued unqualified review opinions on these half-year financial statements.

"Audited" financial statements have been subject to an independent audit by PKF in accordance with Australian Auditing Standards. This process provides a reasonable level of assurance being a high, though not absolute, level of assurance that the financial statements are free from material misstatement, whether due to fraud or error, and culminates in the expression of an audit opinion. In contrast, "reviewed" financial statements have been subject to a review comprising analytical procedures and enquiries. A review may bring significant matters affecting the financial statements to PKF's attention but does not provide assurance in this regard and does not provide all of the evidence that would be required in an audit. A review is substantially less in scope than an audit. Duxton Farms Shareholders should consider the differing levels of assurance provided when reviewing the financial information presented.

#### (b) **Duxton Bees Historical Statements of Cash Flows**

The following table presents the historical statement of cash flows of Duxton Bees for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024, with comparatives.

**Table 9 - Duxton Bees Historical Statements of Cash Flows**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>	<b>Reviewed HY25</b>	<b>Reviewed HY24</b>
<b>Cash flows from operating activities</b>					
Receipts from customers	614	943	2,728	6,423	2,484
Payments to suppliers and employees	(1,150)	(2,832)	(5,825)	(7,218)	(3,539)
Other income	(9)	-	-	-	-
Government rebates	25	40	18	8	11
<b>Net cash used in operating activities</b>	<b>(583)</b>	<b>(2,849)</b>	<b>(3,078)</b>	<b>(787)</b>	<b>(1,044)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(2,479)	(5,519)	(2,603)	(210)	(2,427)
Purchase of intangible assets	-	-	-	(10)	-
Purchase of livestock	(53)	(742)	(669)	(13)	(531)
Proceeds from disposal of plant & equipment	4	903	39	20	25
<b>Net cash used in investing activities</b>	<b>(2,529)</b>	<b>(5,358)</b>	<b>(3,233)</b>	<b>(213)</b>	<b>(2,933)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	2,216	12,374	-	5,485	-
Proceeds from borrowings	801	329	1,234	726	-
Repayment of borrowings	(76)	(268)	(291)	(195)	(146)
Interest received	-	138	92	10	75
Interest paid	-	(3)	(4)	(39)	-
<b>Net cash provided by financing activities</b>	<b>2,940</b>	<b>12,570</b>	<b>1,031</b>	<b>5,987</b>	<b>(71)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(171)</b>	<b>4,363</b>	<b>(5,281)</b>	<b>4,987</b>	<b>(4,048)</b>

Cash and cash equivalents at beginning of period	1,514	1,335	5,698	417	5,698
Cash and cash equivalents at end of period	1,343	5,698	417	5,404	1,650

(c) **Duxton Bees Historical Profit and Loss Statements**

The following table presents the historical statement of profit or loss and other comprehensive income of Duxton Bees for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024, with comparatives.

**Table 10 - Duxton Bees Historical Profit and Loss Statement**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>	<b>Reviewed HY25</b>	<b>Reviewed HY24</b>
Revenue	779	730	2,847	5,836	2,520
Cost of sales	(270)	(485)	(2,163)	(4,898)	(1,869)
<b>Gross profit</b>	<b>509</b>	<b>245</b>	<b>684</b>	<b>938</b>	<b>651</b>
Other income	52	190	101	24	90
Operational expenses	-	-	(3,282)	(2,184)	(2,043)
Corporate overhead	(151)	(391)	(461)	(313)	(217)
Depreciation and amortisation	(293)	(506)	-	-	-
Employee benefits cost	(1,021)	(1,863)	-	-	-
Finance expense	(37)	(57)	(62)	(70)	(27)
Other expenses	(208)	(561)	-	(8)	-
Professional fees	(129)	(525)	-	-	-
Repairs & maintenance	(129)	(158)	-	-	-
<b>Loss before income tax</b>	<b>(1,407)</b>	<b>(3,356)</b>	<b>(3,742)</b>	<b>(1,613)</b>	<b>(1,547)</b>
Income tax benefit (expense)	423	1,141	1,006	403	386
<b>Loss for the year</b>	<b>(984)</b>	<b>(2,215)</b>	<b>(2,736)</b>	<b>(1,210)</b>	<b>(1,161)</b>

**Other comprehensive income, net of income tax items that will not be reclassified to profit or loss:**

Gain on revaluation of property, plant & equipment – net of taxes	-	-	657	984	573
---	---	---	-----	-----	-----

<b>Total comprehensive income/(loss) for the period</b>	(984)	(2,215)	(2,079)	(226)	(588)
---	-------	---------	---------	-------	-------

(d) **Duxton Bees Historical Statements of Financial Position**

The following table presents the historical statement of financial position of Duxton Bees as at 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024.

**Table 11 - Duxton Bees Statement of Financial Position**

<b>A\$'000</b>	<b>Audited Jun-22</b>	<b>Audited Jun-23</b>	<b>Audited Jun-24</b>	<b>Reviewed - Dec-24</b>
<b>Current assets</b>				
Cash and cash equivalents	1,343	5,693	417	5,404
Trade and other receivables	47	48	36	21
Inventory	41	241	540	330
Biological assets	771	1,118	1,419	1,478
Livestock	-	135	206	212
Prepayments	28	82	73	109
<b>Total current assets</b>	<b>2,229</b>	<b>7,322</b>	<b>2,692</b>	<b>7,554</b>
<b>Non current assets</b>				
Property, plant and equipment	4,281	9,031	10,115	11,636
Intangible Assets	-	-	-	14
Other Assets	35	35	-	-
Right of use assets	94	14	-	-
Deferred tax asset	753	1,894	2,681	2,756
<b>Total non current assets</b>	<b>5,164</b>	<b>10,939</b>	<b>12,796</b>	<b>14,534</b>
<b>Total assets</b>	<b>7,393</b>	<b>18,261</b>	<b>15,488</b>	<b>22,088</b>
<b>Current liabilities</b>				
Trade and other payables	1,108	1,864	179	322
Equipment finance	213	249	300	349
Lease liability	96	15	-	-
Share Application Escrow	-	-	-	127
Provisions	26	68	85	125
<b>Total current liabilities</b>	<b>1,443</b>	<b>2,195</b>	<b>565</b>	<b>923</b>
<b>Non current liabilities</b>				



Borrowings	-	-	800	1,200
Equipment finance	755	712	845	948
Provisions	2	3	6	21
<b>Total non current liabilities</b>	<b>757</b>	<b>715</b>	<b>1,651</b>	<b>2,169</b>
<b>Total liabilities</b>	<b>2,200</b>	<b>2,910</b>	<b>2,216</b>	<b>3,092</b>
<b>Net assets</b>	<b>5,193</b>	<b>15,352</b>	<b>13,272</b>	<b>18,996</b>
<b>Shareholder's equity</b>				
Share capital	7,136	19,510	19,510	25,459
Reserves	-	-	657	1,641
Retained earnings	(1,943)	(4,158)	(6,894)	(8,104)
<b>Total shareholder's equity</b>	<b>5,193</b>	<b>15,352</b>	<b>13,272</b>	<b>18,996</b>

(e) **Discussion**

Refer to section 9 for discussion of the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information, which includes the Duxton Bees Historical Financial Information.

(f) **Material changes in financial position**

Within the knowledge of the Duxton Bees Board, as at 1 September 2025, the financial position of Duxton Bees has not materially changed since 30 June 2024, being the latest date of the statement of financial position for Duxton Bees as disclosed in its audited financial statements for the year ending 30 June 2024 other than as described in this Schedule 1.

Material changes to Duxton Bees financial position since 30 June 2024, reflect the seasonal nature of operations, capital management activities, and revaluation adjustments. Key movements include:

- **Cash:** Increased by \$0.50 million following a successful capital raise.
- **Inventory:** Decreased to \$0.27 million due to the sell-down of honey stock during the period.
- **Biological Assets:** Increased by \$0.88 million, reflecting a higher number of active hives under management.
- **Property, Plant and Equipment (PPE):** Increased due to positive land revaluations and investment in hive infrastructure.
- **Deferred Tax Asset:** Increased by \$1.50 million, primarily due to recognition of tax losses and temporary differences.
- **Trade and Other Payables:** Increased by \$0.86 million, driven by deferred settlement terms for hive acquisitions.
- **Borrowings:** Reduced to nil (from \$0.80 million) following full repayment from capital raise proceeds.
- **Share Capital:** Increased by approximately \$6.0 million, reflecting the completed capital raise.
- **Reserves:** Increased by \$1.0 million, in line with the property revaluation uplift.

- **Retained Earnings:** Decreased by \$3.4 million, driven by operating losses incurred over the period.

## 1.2 Duxton Dried Fruits Historical Financial Information

This section sets out the historical financial information of Duxton Dried Fruits (**Duxton Dried Fruits Historical Financial Information**) which summarises certain historical financial information about the Duxton Dried Fruits Group (comprising Duxton Dried Fruits and its subsidiaries) for the financial years ended 30 June 2022 (FY22), 30 June 2023 (FY23), 30 June 2024 (FY24) and the half-year ended 31 December 2024 (HY25).

The financial information set out in this section is a summary only and has been prepared and extracted for the purposes of this Explanatory Memorandum only.

As Duxton Dried Fruits is not a disclosing entity, a public company, a large proprietary company, a registered scheme, a registrable superannuation entity or small proprietary company to which section 292(2) of the Corporations Act applies, it is not required to prepare annual financial reports under Part 2M.3 of the Corporations Act. On this basis, the Duxton Dried Fruits Historical Financial Information does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

### (a) **Basis of preparation and presentation of the Duxton Dried Fruits Historical Financial Information**

The Duxton Dried Fruits Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Accounting Standards and is presented on a stand-alone basis. Accordingly, it does not reflect any impact of the Implementation of the Duxton Dried Fruits Scheme.

The Duxton Dried Fruits consolidated financial statements on which the Duxton Dried Fruits Historical Financial Information was prepared for:

- the years ended 30 June 2022, 30 June 2023 and 30 June 2024 were audited by Grant Thornton in accordance with the Australian Auditing Standards. Grant Thornton issued unqualified audit opinions on these financial statements; and
- the half years ended 31 December 2024 and comparatives were reviewed by Grant Thornton and Grant Thornton issued unqualified review opinions on these half year financial statements.

"Audited" financial statements have been subject to an independent audit by Grant Thornton in accordance with Australian Auditing Standards. This process provides a reasonable level of assurance being a high, though not absolute, level of assurance that the financial statements are free from material misstatement, whether due to fraud or error, and culminates in the expression of an audit opinion. In contrast, "reviewed" financial statements have been subject to a review comprising analytical procedures and enquiries. A review may bring significant matters affecting the financial statements to Grant Thornton's attention but does not provide assurance in this regard and does not provide all of the evidence that would be required in an audit. A review is substantially less in scope than an audit. Duxton Farms Shareholders should consider the differing levels of assurance provided when reviewing the financial information presented.

### (g) **Duxton Dried Fruits Historical Statements of Cash Flows**

The following table presents the historical consolidated statement of cash flows of the Duxton Fruits Group for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024 with comparatives.

It is important to note the historical consolidated statement of cash flows reflects that Duxton Dried Fruits cash flows were significantly impacted in FY23 by the 2022-23 flooding season in the Murray Darling Basin.

**Table 12 - Duxton Dried Fruits Historical Statement of Cash Flows**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>	<b>Reviewed HY25</b>	<b>Reviewed HY24</b>
<b>Cash flows from operating activities</b>					
Receipts from customers	3,035	3,099	3,195	3,026	252
Payments to suppliers and employees	(2,699)	(4,431)	(7,228)	(3,798)	(771)
Purchase of temporary water allocations	(723)	(359)	(192)	(53)	(173)
Proceeds from disposal of temporary water allocations	92	30	-	-	-
Government rebates	-	75	-	-	-
Other Income	42	8	-	20	10
<b>Net cash used in operating activities</b>	<b>(253)</b>	<b>(1,578)</b>	<b>(4,225)</b>	<b>(805)</b>	<b>(682)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(7,526)	(7,457)	(7,066)	(3,015)	(3,585)
Proceeds from disposal of plant & equipment	15	6	81	-	-
<b>Net cash used in investing activities</b>	<b>(7,511)</b>	<b>(7,451)</b>	<b>(6,985)</b>	<b>(3,015)</b>	<b>(3,585)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital	7,110	-	7,078	3,956	4,328
Loan from Duxton Farms Ltd	-	-	-	-	2,500
Proceeds from borrowings	1,068	10,735	6,631	1,203	666
Repayment of borrowings	(219)	(702)	(1,280)	(1,280)	(353)
Interest paid	(267)	(733)	(1,341)	(827)	(699)
Interest received	-	1	4	1	3
<b>Net cash provided by financing activities</b>	<b>7,691</b>	<b>9,300</b>	<b>11,092</b>	<b>3,053</b>	<b>6,445</b>

<b>Net increase in cash and cash equivalents</b>	<b>(73)</b>	<b>272</b>	<b>(118)</b>	<b>(767)</b>	<b>2,178</b>
Cash and cash equivalents at beginning of period	345	272	544	426	544
Cash and cash equivalents at end of period	272	544	426	(341)	2,722

(h) **Duxton Dried Fruits Historical of Profit and Loss Statements**

The following table presents the historical consolidated statement of profit or loss and other comprehensive income of the Duxton Dried Fruits Group for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024 with comparatives.

It is important to note the historical consolidated statement of profit or loss reflects that Duxton Dried Fruits revenue was significantly impacted in FY23 by the 2022-23 flooding season in the Murray Darling Basin.

**Table 13 - Duxton Dried Fruits Historical Profit and Loss Statements**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Reviewed</b>	<b>Reviewed</b>
<b>A\$'000</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>HY25</b>	<b>HY24</b>
Revenue	4,652	758	5,504	8	-
Cost of sales	(5,445)	(4,606)	(6,769)	-	1
<b>Gross profit</b>	<b>(793)</b>	<b>(3,848)</b>	<b>(1,265)</b>	<b>8</b>	<b>1</b>
Other income	43	160	81	25	10
Overhead expenses	(870)	(683)	(1,244)	(317)	(370)
Other expenses	(4,699)	(3,563)	(6,619)	-	-
Finance expenses	<u>(304)</u>	<u>(836)</u>	<u>(1,426)</u>	<u>(920)</u>	<u>(702)</u>
	<b>(5,830)</b>	<b>(4,922)</b>	<b>(9,208)</b>	<b>(1,212)</b>	<b>(1,062)</b>
<b>Profit/(Loss) before income tax</b>	<b>(6,623)</b>	<b>(9,158)</b>	<b>(10,473)</b>	<b>(1,204)</b>	<b>(1,061)</b>
Income tax benefit (expense)	1,648	2,291	2,566	302	263
<b>Loss for the year</b>	<b>(4,975)</b>	<b>(6,867)</b>	<b>(7,907)</b>	<b>(902)</b>	<b>(798)</b>

**Other comprehensive income, net of income tax items that will not be reclassified to profit or loss:**

Gain/(Loss) on revaluation of vineyards and buildings net of tax	55	(1648)	969	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>(4,920)</b>	<b>(8,515)</b>	<b>(6,938)</b>	<b>(902)</b>	<b>(798)</b>

**(i) Duxton Dried Fruits Historical Statements of Financial Position**

The following table presents the historical consolidated statements of financial position of the Duxton Dried Fruits Group as at 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024.

It is important to note the historical consolidated statement of financial position reflects that Duxton Dried Fruits FY23 operations were significantly impacted by the 2022-23 flooding season in the Murray Darling Basin.

**Table 14 - Duxton Dried Fruits Historical Statement of Financial Position**

**Summary balance sheet**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Reviewed</b>
<b>A\$'000</b>	<b>Jun-22</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Dec-24</b>
<b>Current assets</b>				
Cash and cash equivalents	272	554	426	-
Trade and other receivables	1,760	551	3,104	82
Biological Assets	823	-	-	3,930
Other current assets	326	180	485	399
<b>Total current assets</b>	<b>3,181</b>	<b>1,275</b>	<b>4,015</b>	<b>4,411</b>
<b>Non current assets</b>				
Property, Plant and equipment	35307	36,628	37,785	39,392
Right of use asset	784	739	415	292
Deferred Tax Asset	1,821	4,103	6,347	6,650
Other non-current assets	6	8	2	-
<b>Total non current assets</b>	<b>37,918</b>	<b>41,478</b>	<b>44,549</b>	<b>46,334</b>
<b>Total assets</b>	<b>41,099</b>	<b>42,753</b>	<b>48,564</b>	<b>50,745</b>
<b>Current liabilities</b>				

Trade and other payables	1,254	1,316	1,824	703
Provisions	67	105	133	159
Borrowings	9,367	875	1,384	25,230
Lease liability	343	414	245	198
<b>Total current liabilities</b>	<b>11,031</b>	<b>2,710</b>	<b>3,586</b>	<b>26,290</b>
<b>Non current liabilities</b>				
Provisions	33	22	18	12
Borrowings	1,514	20,129	25,048	1,555
Lease liability	451	337	180	102
<b>Total non current liabilities</b>	<b>1,998</b>	<b>20,448</b>	<b>25,246</b>	<b>1,669</b>
<b>Total liabilities</b>	<b>13,029</b>	<b>23,198</b>	<b>28,832</b>	<b>27,959</b>
<b>Net assets</b>	<b>28,070</b>	<b>19,555</b>	<b>19,732</b>	<b>22,786</b>
<b>Shareholder's equity</b>				
Share capital	33,243	33,243	40,358	44,314
Reserves	2,995	3,022	3,991	3,991
Retained earnings	(8,168)	(16,710)	(24,617)	(25,519)
<b>Total shareholder's equity</b>	<b>28,070</b>	<b>19,555</b>	<b>19,732</b>	<b>22,786</b>

(j) **Discussion**

Refer to section 9 for discussion of the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information, which includes the Duxton Walnuts Historical Financial Information.

(k) **Material changes in financial position**

Within the knowledge of the Duxton Dried Fruits Board, as at 1 September 2025, the financial position of the Duxton Dried Fruits Group has not materially changed since 30 June 2024, being the latest date of the statement of financial position for Duxton Dried Fruits as disclosed in its audited financial statements for the year ending 30 June 2024, other than set out in this Schedule 1.

Since 30 June 2024, Duxton Dried Fruits has completed a successful harvest cycle, generating an operating profit for the period. This result reflects both favourable seasonal conditions and effective operational execution.

Key movements in Duxton Dried Fruits' financial position since the last audited accounts include:

- **Biological Assets:** Recognition of approximately \$1.0 million in biological assets, reflecting the growth and maturation of the current planting cycle in accordance with AASB 141.

- **Trade Receivables:** Trade receivables have decreased to approximately \$0.5 million, primarily due to early settlement of accounts by key customers during the post-balance date period.
- **Cash and Borrowings:** The improved cash position resulting from harvest proceeds and early receivables collections has enabled a reduction in borrowings to \$21.6 million.
- **Equity Raising:** In addition, Duxton Dried Fruits completed a capital raising of \$6.2 million, further strengthening the balance sheet and supporting working capital needs.
- **Property, Plant and Equipment (PPE):** PPE valuations have increased by \$3.9 million following a revaluation exercise conducted in June 2025, reflecting both capital improvements and updated market-based valuation inputs.

### 1.3 Duxton Orchards Historical Financial Information

This section sets out the historical financial information of Duxton Orchards (**Duxton Orchards Historical Financial Information**) which summarises certain historical financial information about Duxton Orchards for the years ended 31 December 2022 (FY22), 31 December 2023 (FY23), 31 December 2024 (FY24). The financial year of the Duxton Orchards Group is the 12 month period ending 31 December.

The financial information set out in this section is a summary only and is prepared and extracted for the purposes of this Explanatory Memorandum.

As Duxton Orchards is not a disclosing entity, a public company, a large proprietary company, a registered scheme, a registrable superannuation entity or a small proprietary company to which section 292(2) of the Corporations Act applies, it is not required to prepare annual financial reports under Part 2M.3 of the Corporations Act. On this basis, the Duxton Orchards Historical Financial Information does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

#### (a) Basis of preparation and presentation of the Duxton Orchards Historical Financial Information

The Duxton Orchards Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Accounting Standards and is presented on a stand-alone basis. Accordingly, it does not reflect any impact of the Implementation of the Duxton Orchards Scheme.

The Duxton Orchards consolidated financial statements on which the Duxton Orchards Historical Financial Information was prepared for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 were audited by Grant Thornton in accordance with the Australian Auditing Standards. Grant Thornton issued audit opinions on these financial statements which were unmodified but included an emphasis of matters relating to going concern.

#### (l) Duxton Orchards Historical Statements of Cash Flows

The following table presents the historical consolidated statement of cash flows of the Duxton Orchards Group for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.



**Table 15 - Duxton Orchards Historical Statement of Cash Flows**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	4,171	6,170	4,711
Payments to suppliers and employees	(7,467)	(8,426)	(5,312)
Government rebates	-	-	-
<b>Net cash used in operating activities</b>	<b>(3,296)</b>	<b>(2,256)</b>	<b>(601)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(1,188)	(1,234)	(92)
Purchase of livestock	-	-	-
Proceeds from disposal of plant & equipment	-	-	-
<b>Net cash used in investing activities</b>	<b>(1,188)</b>	<b>(1,234)</b>	<b>(92)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	4,395	-	-
Proceeds from borrowings	1,175	4,629	1,905
Repayment of borrowings	(756)	(806)	(499)
Interest paid	(239)	(484)	(834)
Interest received	38	-	-
<b>Net cash provided by financing activities</b>	<b>4,613</b>	<b>3,339</b>	<b>572</b>
<b>Net increase in cash and cash equivalents</b>	<b>129</b>	<b>(151)</b>	<b>(121)</b>
Cash and cash equivalents at beginning of period	71	200	49
Cash and cash equivalents at end of period	200	49	(72)

**(m) Duxton Orchards Historical Profit and Loss Statements**

The following table presents the historical consolidated statement of profit or loss and other comprehensive income of the Duxton Orchards Group for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

**Table 16 - Duxton Orchards Historical Profit and Loss Statements**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>
Revenue	6,964	11,196	6,934
Cost of sales	(8,400)	(13,160)	(8,224)
<b>Gross profit</b>	<b>(1,436)</b>	<b>(1,964)</b>	<b>(1,290)</b>
Other income	164	(123)	703
Operational expenses	(1,307)	(1,089)	(1,094)
Administration expenses	(352)	(752)	(652)
Finance expenses	(293)	(751)	(1,208)
	<b>(1,788)</b>	<b>(2,715)</b>	<b>(2,251)</b>
<b>Loss before income tax</b>	<b>(3,224)</b>	<b>(4,679)</b>	<b>(3,541)</b>
Income tax benefit (expense)	-	-	-
<b>Loss for the year</b>	<b>(3,224)</b>	<b>(4,679)</b>	<b>(3,541)</b>
<b>Other comprehensive income, net of income tax Items that will not be reclassified to profit or loss:</b>	398	161	-
<b>Total comprehensive income/(loss) for the period</b>	<b>(2,826)</b>	<b>(4,518)</b>	<b>(3,541)</b>

(n) **Duxton Orchards Historical Statements of Financial Position**

The following table presents the historical consolidated statement of financial position of the Duxton Orchards Group as at 31 December 2022, 31 December 2023 and 31 December 2024.

**Table 17 - Duxton Orchards Historical Statement of Financial Position**

**Summary balance sheet**

<b>A\$'000</b>	<b>Audited Dec-22</b>	<b>Audited Dec-23</b>	<b>Audited Dec-24</b>
<b>Current assets</b>			
Cash and cash equivalents	200	49	-
Trade and other receivables	80	287	6,735
Biological Assets	2,683	2,107	2,005
Inventory	386	425	211
Other current assets	198	334	143
Other financial assets	29	29	29
<b>Total current assets</b>	<b>3,576</b>	<b>3,231</b>	<b>9,123</b>
<b>Non current assets</b>			
Property, plant and equipment	14,752	15,980	10,463
Right of use assets - Orchard Lease	5,055	4,886	7,716
Other non-current assets	4	4	3
Intangibles - Water entitlements	250	250	250
<b>Total non current assets</b>	<b>20,061</b>	<b>21,100</b>	<b>18,432</b>
<b>Total assets</b>	<b>23,637</b>	<b>24,331</b>	<b>27,555</b>
<b>Current liabilities</b>			
Trade and other payables	1,490	2,274	3,498
Contract liabilities	49	150	776
Borrowings	5,250	150	10,725
Equipment finance	129	498	840
Provisions	334	329	-
Lease liabilities	220	338	953
<b>Total current liabilities</b>	<b>7,472</b>	<b>3,758</b>	<b>16,864</b>
<b>Non current liabilities</b>			
Provisions	58	26	37
Lease liabilities	5,395	5,297	8,334
Borrowings	-	8,670	-
Equipment finance	791	1,177	458

<b>Total non current liabilities</b>	<b>6,244</b>	<b>15,170</b>	<b>8,829</b>
<b>Total liabilities</b>	<b>13,716</b>	<b>18,928</b>	<b>25,693</b>
<b>Net assets</b>	<b>9,921</b>	<b>5,403</b>	<b>1,862</b>
<b>Shareholder's equity</b>			
Share capital	18,809	18,809	18,809
Reserves	895	1,056	944
Retained earnings	(9,783)	(14,462)	(17,891)
<b>Total shareholder's equity</b>	<b>9,921</b>	<b>5,403</b>	<b>1,862</b>

(o) **Discussion**

Refer to section 9 for discussion of the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information, which includes the Duxton Orchards Historical Financial Information.

(p) **Material changes in financial position**

Within the knowledge of the Duxton Orchards Board, as at 1 September 2025, the financial position of the Duxton Orchards Group has not materially changed since 31 December 2024, being the latest date of the statement of financial position for the Duxton Orchards Group as disclosed in its audited financial statements for the year ended 31 December 2024 other than as set out in this Schedule 1.

Since the balance date of 31 December 2024, Duxton Orchards has experienced several material movements in its financial position. It is important to note that the prior balance date followed the completion of the fruit sales cycle, whereas the financial position of Duxton Orchards as at 1 September 2025 reflects post-harvest timing with inventory on hand and partial sales. Material changes include:

- **Trade and Other Receivables:** Decreased from \$6.73 million to \$0.72 million following settlement of the sale of the Monarto property freehold (\$6.5 million).
- **Biological Assets:** Reduced from \$2.0 million to \$0.06 million, with the harvest completed and only one month of capitalised costs associated with the 2026 crop remaining.
- **Inventory:** Increased from \$0.20 million to \$2.32 million, representing harvested apples held at cost pending sale.
- **Plant Property and Equipment:** Decreased to \$8.46 million, driven by a downward revaluation of the Loxton property.
- **Borrowings:** Reduced by \$3.2 million, reflecting debt amortisation following the Monarto asset settlement.

**Equity Reserves and Retained Earnings:** Reserves have been fully utilised through property revaluations, and retained earnings have decreased by \$2.9 million, primarily due to operating losses and asset impairments.

## 1.4 Duxton Walnuts Historical Financial Information

This section sets out the historical financial information of Duxton Walnuts (**Duxton Walnuts Historical Financial Information**) which summarises certain historical financial information about Duxton Walnuts for the financial years ended 30 June 2022 (FY22), 30 June 2023 (FY23), 30 June 2024 (FY24) and the half-year ended 31 December 2024 (HY25).

The financial information in this section is a summary only and has been prepared and extracted for the purposes of this Explanatory Memorandum only.

As Duxton Walnuts is not a disclosing entity, a public company, a large proprietary company, a registered scheme, a registrable superannuation entity, or small proprietary company to which section 292(2) of the Corporations Act applies, it is not required to prepare annual financial reports under Part 2M.3 of the Corporations Act. On this basis, the Duxton Walnuts Historical Financial Information does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act.

### (a) **Basis of preparation and presentation of the Duxton Walnuts Historical Financial Information**

The Duxton Walnuts Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Accounting Standards and is presented on a stand-alone basis. Accordingly, it does not reflect any impact of the Implementation of the Duxton Walnuts Scheme.

The Duxton Walnuts financial statements upon which the Duxton Walnuts Historical Financial Information was prepared for:

- the years ended 30 June 2022, 30 June 2023 and 30 June 2024 were audited by PKF in accordance with the Australian Auditing Standards. PKF issued unqualified audit opinions on these financial statements; and
- the half-year ended 31 December 2024 and comparatives were reviewed by PKF. PKF issued unqualified review opinions on these half-year financial statements.

"Audited" financial statements have been subject to an independent audit by PKF in accordance with Australian Auditing Standards. This process provides a reasonable level of assurance being a high, though not absolute, level of assurance that the financial statements are free from material misstatement, whether due to fraud or error, and culminates in the expression of an audit opinion. In contrast, "reviewed" financial statements have been subject to a review comprising analytical procedures and enquiries. A review may bring significant matters affecting the financial statements to PKF's attention but does not provide assurance in this regard and does not provide all of the evidence that would be required in an audit. A review is substantially less in scope than an audit. Duxton Farms Shareholders should consider the differing levels of assurance provided when reviewing the financial information presented.

### (q) **Duxton Walnuts Historical Statements of Cash Flows**

The following table presents the historical statement of cash flows of Duxton Walnuts for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024, with comparatives.

It is important to note the historical statement of cash flows reflects revenue from Duxton Walnuts' discontinued dairy operations which ceased effective 30 June 2024.

**Table 18 - Duxton Walnuts Historical Statement of Cash Flows**

<b>A\$'000</b>	<b>Audited FY22</b>	<b>Audited FY23</b>	<b>Audited FY24</b>	<b>Reviewed HY25</b>	<b>Reviewed HY24</b>
<b>Cash flows from operating activities</b>					
Receipts from customers	4,956	4,962	5,062	817	2,604
Payments to suppliers and employees	(4,750)	(5,091)	(3,904)	(1,525)	(3,011)
Interest Received	1	3	1	-	1
Fuel Tax Credits	42	38	38	-	23
Other receipts	28	62	148	70	81
Interest Paid	(1)	(65)	(415)	(238)	(208)
<b>Net cash used in operating activities</b>	<b>306</b>	<b>(91)</b>	<b>932</b>	<b>(876)</b>	<b>(511)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(517)	(1,536)	(2,600)	(1,649)	(840)
Payment for investments - Land & Buildings	(268)	(40)	(33)	-	-
Proceeds from sale of property, plant and equipment	41	-	23	43	-
Purchase of water entitlements	(279)	-	(4)	-	-
Net Purchase of livestock	(504)	(746)	(333)	-	(473)
<b>Net cash used in investing activities</b>	<b>(1,528)</b>	<b>(2,322)</b>	<b>(2,948)</b>	<b>(1,606)</b>	<b>(1,313)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	3,451	1,302	2,200	2,685	1,900
Repayment of borrowings	(41)	(103)	(130)	(91)	(70)
Buyback of shares	(3,000)	-	-	-	-
Proceeds from issue of shares	1,125	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>1,535</b>	<b>1,199</b>	<b>2,070</b>	<b>2,594</b>	<b>1,830</b>
<b>Net increase in cash and cash equivalents</b>	<b>314</b>	<b>(1,214)</b>	<b>55</b>	<b>112</b>	<b>6</b>
Cash and cash equivalents at beginning of period	1,342	1,657	434	499	444

Cash and cash equivalents at end of period	1,657	434	499	611	450
--	-------	-----	-----	-----	-----

(r) **Duxton Walnuts Historical Profit and Loss Statements**

The following table presents the historical statement of profit or loss and other comprehensive income of Duxton Walnuts for the financial years ended 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024, with comparatives.

It is important to note the profit and loss statement reflects revenue from Duxton Walnuts' discontinued dairy operations which ceased effective 30 June 2024 and resulting disposal of livestock from FY22 to 1H25 no longer used in Duxton Walnuts' operations.

**Table 19 - Duxton Walnuts Historical Profit and Loss Statement**

	Audited	Audited	Audited	Reviewed	Reviewed
A\$'000	FY22	FY23	FY24	HY25	HY24
<b>Revenue</b>					
Milk Sales	3,510	4,348	3,249	-	1,880
Other Income	448	192	401	519	153
<b>Net Revenue</b>	<b>3,958</b>	<b>4,539</b>	<b>3,651</b>	<b>519</b>	<b>2,033</b>
<b>Livestock</b>					
Livestock Purchases	(502)	(746)	(333)	-	(333)
Livestock Sales	996	543	543	219	237
Livestock Sales Cost	-	(49)	(87)	(14)	(13)
Livestock Fair Value	(464)	(248)	(1,453)	(194)	(21)
<b>Net Livestock</b>	<b>29</b>	<b>(451)</b>	<b>(631)</b>	<b>11</b>	<b>(130)</b>
<b>Expenses</b>					
Depreciation and Amortisation	(219)	(243)	(301)	(162)	(151)
Employee Benefits	(1,092)	(1,015)	(1,047)	-	-
Finance Expenses	(73)	(198)	(467)	(271)	(242)
Impairment of Structures	-	(359)	(199)	-	-
Livestock Expenses	(1,748)	(2,267)	(1,820)	-	-
Cropping Expenses	-	-	(311)	-	-
Occupancy Expenses	(291)	(293)	-	-	-



Administration Fees	(350)	(467)	(475)	(491)	(383)
Overhead Expenses	(565)	(273)	(465)	(780)	(1,858)
Repairs and Maintenance Expenses	-	(478)	(504)	-	-
<b>Total Expenses</b>	<b>(4,338)</b>	<b>(5,562)</b>	<b>(5,590)</b>	<b>(1,704)</b>	<b>(2,634)</b>
<b>Loss before income tax</b>	<b>(595)</b>	<b>(1,474)</b>	<b>(2,570)</b>	<b>(1,174)</b>	<b>(731)</b>
Income tax benefit (expense)	128	(305)	895	352	219
<b>Loss for the year</b>	<b>(467)</b>	<b>(1,779)</b>	<b>(1,675)</b>	<b>(822)</b>	<b>(512)</b>
Other comprehensive income, net of income tax Items that will not be reclassified to profit or loss:					
Property revaluations	1,875	2,146	1,987	285	-
<b>Total comprehensive income/(loss) for the period</b>	<b>1,407</b>	<b>368</b>	<b>312</b>	<b>(537)</b>	<b>(512)</b>

(s) **Duxton Walnuts Historical Statements of Financial Position**

The following table presents the historical statement of financial position of Duxton Walnuts as at 30 June 2022, 30 June 2023, 30 June 2024 and the half-year ended 31 December 2024.

It is important to note the historical statement of financial position reflects assets and liabilities in FY 22 to FY24 arising from Duxton Walnuts' discontinued dairy operations which ceased effective 30 June 2024 and resulting reduction of the livestock herd from FY22 to FY25 no longer used in Duxton Walnuts' operations.

**Table 20 - Duxton Walnuts Historical Statement of Financial Position**

**Statement of Financial Position**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Reviewed</b>
<b>A\$'000</b>	<b>Jun-22</b>	<b>Jun-23</b>	<b>Jun-24</b>	<b>Dec-24</b>
<b>Current assets</b>				
Cash and cash equivalents	1,656	444	499	611
Trade and other receivables	210	642	77	58
Inventory Livestock	704	780	355	273

Other current assets	404	259	23	36
<b>Total current assets</b>	<b>2,974</b>	<b>2,126</b>	<b>953</b>	<b>978</b>
<b>Non current assets</b>				
Livestock	1,962	1,715	261	68
Property, plant and equipment	1,054	2,371	19,780	21,444
Intangible assets	1,290	1,290	1,290	1,290
Investment properties	12,678	15,387	-	-
<b>Total non current assets</b>	<b>16,984</b>	<b>20,762</b>	<b>21,331</b>	<b>22,802</b>
<b>Total assets</b>	<b>19,958</b>	<b>22,888</b>	<b>22,285</b>	<b>23,780</b>
<b>Current liabilities</b>				
Trade and other payables	544	665	557	183
Borrowings	3,000	4,108	2,400	4,869
Equipment finance	84	121	115	185
Provisions	-	-	60	70
<b>Total current liabilities</b>	<b>3,628</b>	<b>4,895</b>	<b>3,132</b>	<b>5,307</b>
<b>Non current liabilities</b>				
Borrowings	92	92	4,000	4,000
Equipment finance	347	418	250	334
Deferred tax	1,356	2,580	2,537	2,307
Provisions	-	-	7	9
<b>Total non current liabilities</b>	<b>1,795</b>	<b>3,090</b>	<b>6,794</b>	<b>6,650</b>
<b>Total liabilities</b>	<b>5,422</b>	<b>7,985</b>	<b>9,927</b>	<b>11,957</b>
<b>Net assets</b>	<b>14,535</b>	<b>14,903</b>	<b>12,358</b>	<b>11,822</b>
<b>Shareholder's equity</b>				
Share capital	1,212	11,212	11,212	11,212
Reserves	2,949	5,096	4,227	4,512
Retained earnings	374	(1,405)	(3,080)	(3,902)
<b>Total shareholder's equity</b>	<b>14,535</b>	<b>14,903</b>	<b>12,358</b>	<b>11,822</b>

(t) **Discussion**

Refer to section 9 for discussion of the Merged Group Unaudited Pro Forma Historical Consolidated Financial Information, which includes the Duxton Walnuts Historical Financial Information.

(u) **Material changes in financial position**

Within the knowledge of the Duxton Walnuts Board, as at 1 September 2025, the financial position of Duxton Walnuts has not materially changed since 30 June 2024, being the latest date of the statement of financial position for Duxton Walnuts as disclosed in its audited financial statements for the year ending 30 June 2024 other than set out in this Schedule 1.

Since 30 June 2024, Duxton Walnuts has ceased all dairy operations and commenced development of a greenfield walnut project. This marks a significant shift in DDC's asset base and operating model. Material movements in the financial position include:

- **Cash:** Decreased from \$0.50 million to \$0.12 million, reflecting development-related outflows.
- **Property Plant and Equipment (PPE):** Increased from \$19.78 million to \$21.90 million due to capitalised orchard development and revaluation of agricultural assets.
- **Trade and Other Payables:** Reduced from \$0.56 million to \$0.16 million, in line with the wind-down of dairy operations and working capital timing.
- **Current Borrowings:** Increased from \$2.40 million to \$5.87 million to fund early-stage walnut development.
- **Deferred Tax Liability:** increasing in line with the PPE revaluation.
- **Retained earnings:** decreased by \$2m due to operating losses resulting from change of business use.

## 1.5 Duxton Farms Historical Financial Information

Duxton Farms is a reporting entity and releases its financial statements to ASX, including its FY25 results which were released to ASX on 7 August 2025 in its Annual Report for the financial year ended 30 June 2025. Investors can access these financial statements from the ASX website at <https://www.asx.com.au/markets/company/DBF> or Duxton Farms Investor Centre at <https://www.duxtonfarms.com/investor-centre>.

## **Annexure A - Independent Expert's Report (Resolutions 3 and 4)**

# Duxton Farms Limited

ff

## Financial Services Guide and Independent Expert's Report

1 September 2025

### Conclusion

**In our opinion, Resolutions 3 and 4 are Not Fair but Reasonable for the Non-Associated Shareholders of Duxton Farms Limited.**



# Financial Services Guide

1 September 2025

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“**RSM**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence (“**AFSL**”), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

## Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

## General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

## Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Duxton Farms Limited will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

## Remuneration or other benefits received by our employees

All our employees receive a salary.

## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“AFCA”). AFCA is an independent dispute resolution Proposed Transaction that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

1 September 2025

The Independent Directors  
Duxton Farms Limited  
7 Pomona Road  
Stirling SA 5252



**RSM**  
**RSM Australia Pty Ltd**  
Level 27, 120 Collins Street  
Melbourne  
VIC 3000  
Australia  
T +61 (03) 9286 8000  
rsm.com.au

Dear Independent Directors,

## Independent Expert's Report

### Introduction

This Independent Expert's Report (the "**Report**" or "**IER**") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("**Notice**" or "**NoM**") to be provided to shareholders for an Extraordinary General Meeting of Duxton Farms Limited ("**DBF**" or "**Duxton Farms**" or "**the Company**") to be held on or around 10 October 2025, at which shareholder approval will be sought for (among other things):

#### Resolution 3 – Approval to acquire a substantial asset from the EP 10.1 Entities

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for Duxton Farms to acquire the EP Merger Company Shares from the EP 10.1 Entities as part of the Merger, on the terms and conditions in the Explanatory Memorandum."*

#### Resolution 4 – Approval to acquire a substantial asset from Richard Magides

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for Duxton Farms to acquire the RM Merger Company Shares from Richard Magides as part of the Merger, on the terms and conditions in the Explanatory Memorandum."*

#### Conditionality of resolutions

The conditionality of Resolutions 3 and 4 are set out below. Please refer to the NoM for details in relation to Resolutions 1, 2, 5 and 6.

- The proposal (the "**Proposed Transaction**") by DBF to acquire Duxton Dried Fruits Pty Limited, Duxton Dairies (Cobram) Pty Limited, Duxton Bees Pty Limited and Duxton Orchards Pty Limited (the "**Merger Companies**") is conditional on Resolutions 3 and 4 being passed by DBF Shareholders. While the Merger is conditional on a number of other matters (as summarised in Section 1 of this Report), it is not conditional on Resolutions 1, 2, 5 or 6.
- DBF Shares will be issued to Duxton Capital Investments in consideration for the acquisition by DBF of ordinary shares held by Duxton Capital Investments in certain Merger Companies under the SPAs should the Proposed Transaction proceed. If Resolution 3 is passed but Resolution 5 is not passed, Duxton Capital Investments will receive the equivalent value of the Merger Company Ordinary Shares as cash.

A more detailed discussion of the Proposed Transaction is set out in Section 1 of this report.

### Purpose of the report

On 26 June 2025, DBF announced the Proposed Transaction, whereby it had entered into Scheme Implementation Agreements ("**SIAs**") and Share Purchase Agreements ("**SPAs**") to merge with the following Merger Companies (which will encompass any subsidiaries of the below entities) ("**Merger Companies**"):

- Duxton Dried Fruits Pty Ltd ("**Duxton Dried Fruits**");
- Duxton Bees Pty Ltd ("**Duxton Bees**");
- Duxton Orchards Pty Ltd ("**Duxton Orchards**"); and
- Duxton Dairies (Cobram) Pty Ltd ("**Duxton Walnuts**").

### THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.  
RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM  
Liability limited by a scheme approved under Professional Standards Legislation





Listing Rule 10.1 provides that, unless one of the exceptions in Listing Rule 10.3 applies, a listed entity must ensure that neither it, nor any of its child entities, acquires or agrees to acquire a substantial asset from, or disposes of a substantial asset to:

- 10.1.1 a related party of the entity;
- 10.1.2 a child entity of the entity;
- 10.1.3 a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity;
- 10.1.4 an associate of a person referred to in rules 10.1.1 to 10.1.3 above;
- 10.1.5 a person whose relationship to the entity or a person referred to in rules 10.1.1 to 10.1.4 is such that, in ASIC's opinion, the transaction should be approved by security holders,

without the prior approval of holders of the entity's ordinary shareholders.

For the purposes of Listing Rule 10.1, pursuant to Listing Rule 10.2, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity in the latest accounts given to ASX under the Listing Rules.

The equity interests of DBF as at 30 June 2025 in the 2025 annual report released by DBF on 7 August 2025 is \$98.4m. A substantial asset is therefore an asset of value greater than 5% of this figure, being \$4.9m.

### **Approval to acquire a substantial asset from the EP 10.1 Entities**

On implementation of the Proposed Transaction, DBF will acquire shares in the Merger Companies, including from:

- EFP Nominees, Duxton Capital Investments Pty Limited ("**Duxton Capital Investments**") and Duxton Capital (Australia) Pty Limited ("**Duxton Capital**"), companies controlled by Ed Peter, a director of Duxton Farms; and
- Sandhurst Trustee Ltd as sub-custodian of the Duxton Diversified Agricultural Fund ("**DDAF**"). DDAF's trustee and custodian are companies controlled by Ed Peter (being Duxton Agri Services Pty Ltd and the Investment Manager respectively).

For the purposes of this Report, and consistent with the Explanation Memorandum, the entities above are referred to as the EP 10.1 Parties ("**EP 10.1 Parties**" or "**EP 10.1 Entities**"). The shares in the Merger Companies to be acquired from EP 10.1 Entities are referred to as EP Merger Company Shares ("**EP Merger Company Shares**").

The above EP 10.1 Entities are considered to be related parties or associates of related parties of Duxton Farms under Listing Rule 10.1.1 and 10.1.4 and for the purposes of the Listing Rule 10.1 approval sought under Resolution 3. The interests of DDAF are included as an EP 10.1 Entity because Ed Peter controls the trustee of DDAF. However, he does not have material economic interest in DDAF. His economic interest in DDAF of 4.01% through Duxton Capital Investment's unitholding in DDAF.

Details of the EP Merger Company Shares are set out in Section 1 of this Report.

### **Approval to acquire a substantial asset from Richard Magides ("**RM 10.1 Acquisition**")**

On implementation of the Merger, Duxton Farms will acquire shares in the Merger Companies from Richard Magides.

Richard Magides is a person who is a substantial (10%+) holder in Duxton Farms under ASX Listing Rule 10.1.3 and for the purposes of the Listing Rule 10.1 approval sought under Resolution 4.

Details of the number shares in the Merger Companies that will be acquired by DBF from Richard Magides ("**RM Merger Company Shares**") are set out in Section 1 of this Report.

The Directors of the Company have requested that RSM, being independent and qualified for the purpose, express an opinion as to whether Resolution 3 and Resolution 4 are fair and reasonable to DBF shareholders whose votes in favour of the transaction are not to be disregarded under Listing Rule 14.11 (“**Non-Associated Shareholders**” or “**Shareholders**”).

The ultimate decision whether to approve Resolutions 3 and 4 should be based on each Shareholder’s assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to Resolutions 3 and 4, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

## Summary of opinion

In our opinion, and for the reasons set out in Section 11 and 12 of this report, Resolutions 3 and 4 are **not fair but reasonable** for the Non-Associated Shareholders of DBF.

We have formed this opinion for the reasons set out below.

## Approach

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to a related party or relevant substantial shareholder or any of its associates without the approval of holders of the entity’s ordinary securities.

An asset is considered substantial “if its value; or the value of the consideration being paid or received by the entity is, or in the ASX’s opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX”.

ASX Listing Rule 10.5.10 sets out the requirement for the inclusion of an independent expert’s report opining on whether the transaction is fair and reasonable.

RG 111.57 states that a proposed related party transaction is “fair” if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

Therefore, we have considered whether or not the transactions contemplated in each of Resolutions 3 and 4 are fair to the Non-Associated Shareholders by assessing and comparing:

- The Fair Value of the EP Merger Company Shares and RM Merger Company Shares to be acquired by DBF; with
- The Fair Value of the Consideration to be paid by DBF in relation to those shares.

We have considered whether Resolutions 3 and 4 are “reasonable” to the Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Proposed Transaction which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve Resolutions 3 and 4.

Further information of the approach we have employed in assessing whether the Proposed Transaction is fair and reasonable is set out at Section 2 of this Report.

## Fairness opinion

In assessing whether we consider Resolutions 3 and 4 are fair to Non-Associated Shareholders, we have undertaken the following:

### Resolutions 3 and 4

Assessed the Fair Value of the consideration to be paid by DBF to the EP 10.1 Parties and Richard Magides and compared it to an assessment of the Fair Value of the EP Merger Company Shares and RM Merger Company Shares to be acquired by DBF.

Our assessment is set out in the table below, noting the following:

- We have utilised the net assets on a going concern methodology to value the shares of the Merger Companies. Whilst long term financial forecasts in relation the Merger Companies are available, RG 111 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'Forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Therefore, to be able to utilise the DCF methodology utilising prospective financial information, in accordance with the requirements of RG111, an expert must conclude that there are reasonable grounds to be able to rely on that prospective financial information. Regulatory Guide 170 – Prospective financial information ("**RG 170**") gives detailed guidance on what is considered a reasonable basis for stating prospective financial information. Having regard to RG 170, given the volatility of the industries in which DBF and Merger Companies operate, and the number of assumptions inherent within the financial forecasts around future growth opportunities, we do not consider there are sufficiently reasonable grounds to rely on the financial forecasts under the requirements of RG111 and, therefore, have not been able to utilise the DCF methodology to the Merger Companies. However, we have considered the forecast cash flows in the broader context of assessing the reasonableness of the Proposed Transaction.
- In order to assess the Fair Value of the Merger Companies, we instructed Knight Frank Valuation & Advisory South Australia ("**Knight Frank**") to prepare independent valuations of land, buildings and water assets held by these entities. The valuations prepared by Knight Frank do not specify a valuation range. Consequently, our assessed Fair Value of the Merger Companies' shares set out below does not include a valuation range.
- Having regard to the fact that we utilised the net assets on a going concern methodology to value the Merger Companies, and have not been able to utilise the DCF methodology, there may be qualitative value factors that are inherently not incorporated within the assessed Fair Value of the Merger Companies. These qualitative factors may include:

#### Duxton Bees

- The acquisition of circa 5,000 hives across three transactions in 2024 and 2025 provides Duxton Bees with over 8,000 productive hives with 680 nucleus hives to support ongoing colony growth and queen bee production. We understand that the Fair Value of biological assets on the balance sheet only includes queen bees and excludes the value of the bees in each hive.
- Duxton Bees purchases bee hives and bee colonies and licenses them to government apiary sites. Duxton Bees has licenses with approximately 560 government apiary sites. The potential value of these licenses is not included in the Fair Value derived under the net assets on a going concern methodology. However, the licenses facilitate revenue generation for Duxton Bees by either deploying and managing its own beehives directly on these licensed sites or leasing the licences to third party bee keepers within the industry for seasonal use. When leased to third parties for seasonal use, Duxton Bees may also provide value added services including the purchase of honey produced on site and the supply of disease management products.
- Duxton Bees is vertically integrated, with operations spanning production, processing and distribution. We understand that Duxton Bees has recently entered into a joint venture agreement in relation to a honey bottling plant, which Management expect to provide operational efficiencies and further drive vertical integration.
- Duxton Bees is in the process of transitioning its product mix toward higher-margin branded honey under the Fuzzy Bum label, which it aims to launch in Coles supermarkets by late 2025. Management expects annual honey production to reach 650 tonnes in FY26 with operational maturity reached by FY29.
- The company generates pollination revenue under contracts with a number of large almond growers in Australia. Further services revenue is generated under contracts for other services such as beehive brokerage and beehive auditing.
- Duxton Bees holds an exclusive distribution agreement to distribute Oxalerine, an oxalic acid treatment for the Varroa Mite, throughout Australia. Pending regulatory approval for the product in Australia, Management expect to distribute the product on a national basis.

#### Duxton Walnuts

- Whilst the Duxton Walnuts' water entitlements are included at market value as part of the net assets on a going concern basis, as assessed by Knight Frank, Management consider the ground water access entitlement provides an operational advantage to the business as a high security water source with spearpoint access.
- Duxton Walnuts commenced its transition from a dairy business to a walnut plantation in 2023. Accordingly, the orchards are either recently planted or under development. In assessing the market value of the orchards at the Yarramudee property, Knight Frank had regard to, inter alia, the age of plantings (including that the orchard is yet to produce a commercial crop). To the extent that Duxton Walnuts is able to execute on its strategy there may be an uplift in the valuation of the orchards as the orchards mature.

#### Duxton Dried Fruits

- Duxton Dried Fruits holds offtake agreements with Sunbeam Foods and Australian Premium Dried Fruits, the two largest processors of dried fruit in Australia. Notwithstanding that Duxton Dried Fruits has generated operating losses over recent financial years, Management expects the secure demand and commercial terms afforded by the offtake agreements to generate increased economic benefits as the business progresses to full production.
- The company holds proprietary varietal licenses for varietals that provide operational benefits through earlier harvesting.
- The vineyards comprise plantings from 2018 to 2024. In assessing the market value of the vineyards, Knight Frank had regard to, inter alia, the age of plantings and historical production levels. To the extent that Duxton Dried Fruits is able to execute on its strategy there may be an uplift in the valuation of the vineyards as the vineyards mature.

#### Duxton Orchards

- Duxton Orchards holds a long term lease over the Nangwarry property which underpins 60% of production and circa 15% of production in South Australia. We understand that the Nangwarry property benefits from unlimited water supply.
- The leased Monarto storage facility provides cold storage for circa 7,700 bins that guarantees cold storage capacity with a lower cost structure than third party providers.
- Notwithstanding the historical operating losses generated by Duxton Orchards, Management consider that the leased properties described above generate operational and economic benefits. Any future value of these benefits is not captured under the net assets on a going concern methodology.

Refer to Section 11 for the detailed assessment of each Resolution.

**Table 1 Assessment of fairness**

Duxton Farms Fairness conclusion summary (\$'000)	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>Resolution 3 Approval to acquire a substantial asset from the EP 10.1 Entities</b>						
<b>100% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	4,612	4,855	2,605	308	12,379	12,071
Assessed Fair Value of the EP Merger Company Shares	2,879	3,680	1,367	-	7,926	7,926
<b>Variance</b>	<b>1,732</b>	<b>1,175</b>	<b>1,238</b>	<b>308</b>	<b>4,453</b>	<b>4,145</b>
<b>80% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	4,737	4,956	2,670	316	12,679	12,363
Assessed Fair Value of the EP Merger Company Shares	2,879	3,680	1,367	-	7,926	7,926
<b>Variance</b>	<b>1,858</b>	<b>1,276</b>	<b>1,303</b>	<b>316</b>	<b>4,753</b>	<b>4,437</b>
<b>Resolution 4 Approval to acquire a substantial asset from Richard Magides</b>						
<b>100% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	1,978	4,453	2,259	235	8,925	8,690
Assessed Fair Value of the RM Merger Company Shares	1,235	3,685	1,296	-	6,216	6,216
<b>Variance</b>	<b>743</b>	<b>768</b>	<b>963</b>	<b>235</b>	<b>2,709</b>	<b>2,474</b>
<b>80% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	2,032	4,574	2,320	242	9,168	8,927
Assessed Fair Value of the RM Merger Company Shares	1,235	3,685	1,296	-	6,216	6,216
<b>Variance</b>	<b>797</b>	<b>889</b>	<b>1,025</b>	<b>242</b>	<b>2,953</b>	<b>2,711</b>

Source: RSM Calculations

<sup>1</sup> Fair Value of Consideration is calculated as the number of DBF Shares to be issued at the assessed Fair Value per share of \$1.10

## Resolutions 3 and 4

We consider that acquisition of the EP Merger Company Shares and RM Merger Company Shares by DBF is **Not Fair** to Non-Associated Shareholders on the basis that the Fair Value of the Consideration to be paid by DBF exceeds the Fair Value of the EP Merger Company Shares and RM Merger Company Shares.

We note that Resolutions 3 and 4 are assessed as **Not Fair** to Non-Associated Shareholders regardless of the Scrip elections made by EP 10.1 Entities.

We further note that Resolutions 3 and 4 are assessed as **Not Fair** to Non-Associated Shareholders whether the acquisition of Duxton Orchards shares is included or excluded in the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with ASX Listing Rule 10.1, we consider Resolution 3 and 4 to be **Not Fair** to the Non-Associated Shareholders.

## Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a superior offer.

As such, we have also considered the following factors in relation to the reasonableness aspects of the Proposed Transaction:

- the future prospects of the Company if the Proposed Transaction does not proceed;
- other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding;
- the response of the market to the Proposed Transaction; and
- alternative proposals to the Proposed Transaction.

## Future Prospects of DBF if the Proposed Transaction does not proceed

If the Proposed Transaction does not proceed, DBF will continue to manage its current portfolio and the Board of Directors will reassess DBF's strategic direction to diversify its portfolio as the Board considers that the current portfolio of farming and water assets is geographically concentrated with a large exposure to grain, cotton and livestock pricing and is currently forecast to incur negative operating cash flows in the short to medium term until the development projects reach operational maturity.

## Advantages and disadvantages of approving the Proposed Transaction

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

The key advantages of the Proposed Transaction are outlined below.

**Table 2 Advantages of the Proposed Transaction**

Advantage	Details
Diversification of business	<p>The acquisition of the Merger Companies provides greater geographical and commodity diversification into horticulture, viticulture and apiary assets and reduces overall risk with regards to geographic and commodity market exposure.</p> <p>The Merger Companies also represent a mix of maturing and greenfield projects, with mature operating assets (Dried Fruits) expected to drive cash generation and early stage growth opportunities (Duxton Bees and Duxton Walnuts) providing the opportunity for growth in the next decade.</p> <p>DBF is primarily utilising scrip to acquire the Merger Companies, limiting the amount of equity capital required to be raised. Noting the Company's strategic objectives to diversify the DBF asset portfolio, there may be limited alternative opportunities to acquire a portfolio of similar assets through the issue of equity consideration.</p>
Streamlined management	<p>The acquisition of the Merger Companies enables DBF to bring existing management expertise in-house in order to create synergies and streamline operations for DBF Shareholders.</p>
Higher cash generation potential than broadacre farming assets	<p>The Directors consider that the operations of the Merger Companies offer higher cash generation potential in the mid to long term than the broadacre farming assets as the prices of commodities produced under the current portfolio have remained relatively flat.</p> <p>We have utilised the net assets on a going concern methodology as our primary methodology and have also relied on the property valuations prepared by Knight Frank for the assessed market values of the relevant interests in properties in our assessment of the Fair Value of the Merger Companies.</p> <p>The terms of the Merger include consideration based on assumptions in relation to the future long term cash flows of the Merger Companies, including potential upside to the value of net assets (as well as currently priced by the Company's traded share price). Due to the volatility of the industries in which DBF and the Merger Companies operate, and the number of long-term assumptions inherent within the financial forecasts around future growth opportunities, we have not utilised the DCF methodology as a valuation methodology. Nonetheless, if the value ascribed under a DCF methodology is achieved using these assumptions for the future long term cash flows forecasts of the Merger Companies, DBF shareholders may benefit from any future value realisation by the Company.</p>
Potential increased liquidity for DBF Shareholders	<p>Notwithstanding the Company's historical low liquidity of traded shares, the acquisition of the Merger Companies may result in a more liquid market for DBF Shareholders to crystallise the value of their shares.</p>

Source: RSM analysis

The key disadvantages of the Proposed Transaction are set out on the following page:

**Table 3 Disadvantages of the Proposed Transaction**

Disadvantage	Details
Resolutions 3 and 4 are not fair	As set out in Section 11, Resolutions 3 and 4 are not fair.
Dilution of Non-Associated Shareholders	<p>If the Proposed Transaction is approved, the Merger Company shareholders ("<b>Merger Company Shareholders</b>") will be issued c. 55.6m shares in Duxton Farms which is expected to represent c. 53.1% of the Duxton Farms Shares on issue following implementation of the Merger (assuming consideration comprises 80% scrip and 20% cash where all preference shareholders in the Merger Companies elect to receive 20% of their consideration in cash, all four Merger Companies are acquired, and including the Placement).</p> <p>If the consideration comprises 100% scrip, the Merger Company Shareholders will be issued c. 69.2m Duxton Farm Shares which is expected to represent c. 58.5% of the Shares on issue following implementation of the Merger (assuming all Merger Companies are acquired).</p> <p>Richard Magides' relevant interests (including associated entities) will reduce from 35.9% at the date of this Report to 23.7% (80% scrip scenario) or to 22.4% (100% scrip).</p> <p>Ed Peter's relevant interests (including associated entities) will reduce from 23.4% at the date of this Report to 14.5% (80% scrip scenario) or to 13.4% (100% scrip).</p> <p>Existing Non-Associated Shareholders' interests will fall from 40.7% at the date of this Report to 17.7% (80% scrip scenario) or 15.6% (100% scrip scenario), assuming all Merger Companies are acquired.</p> <p>Dilution of existing Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposals.</p>
Potential significant upfront cash costs and no guarantee of higher cash generation potential in the short to medium term	<p>Net proceeds of the \$4.55m placement (before costs) announced by DBF on 26 June 2025 ("<b>Placement</b>") (along with cash at hand and existing facilities) will be used to fund the cash component of the Proposed Transaction payable to Merger Company Shareholders including the EP 10.1 Entities (to the extent the entities make a valid election to receive cash). Assuming Merger Company Shareholders make a valid election to receive the full 20% of consideration payable in cash, cash proceeds would total up to approximately \$17.0m, with c. \$13m to be funded by the Company's existing cash reserves, representing a significant proportion of the \$22.0m cash balance disclosed at 30 June 2025 (net of bank overdraft facility).</p> <p>As set out in the advantages above, if the value of the Merger Companies ascribed under the DCF methodology is achieved, DBF shareholders may benefit from any future value realisation by the Company.</p> <p>However, due to the longer term growth potential of the Merger Companies and the inherent uncertainty on predicting adverse weather and climatic events and other unforeseen circumstances (e.g., disease outbreaks and commodity prices volatility), there is no guarantee that DBF shareholders will benefit in any potential upside value realisation in the medium to long term.</p>
Change in investment profile and scale of operations	Acceptance of the Proposed Transaction may result in disadvantages to those who wish to maintain their current investment profile in DBF's existing portfolio. DBF Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of DBF and may incur transaction costs in undertaking a new investment.
The Proposed Transaction commits the Company to developing and funding an additional portfolio of agricultural assets	<p>Approval of the Proposed Transaction will result in the acquisition of either Duxton Bees, Duxton Walnuts, Duxton Dried Fruits and Duxton Orchards (all inclusive) or three Merger Companies comprising Duxton Bees, Duxton Walnuts and Duxton Dried Fruits. All the Merger Companies disclosed losses at the EBITDA level for the historical period under review and are loss making at the date of this Report.</p> <p>Duxton Walnuts is currently transitioning its operations from broadacre cropping and leasing to walnut production, with production expected to commence in FY27, with full plantation maturity targeted by 2032.</p> <p>There are significant risks that should the operations of the Merger Companies not achieve targeted production milestones and not be as profitable as forecast in the short to medium term, the Company will be required to raise further capital or divest other portfolio assets to fund operations.</p>
Loss of potential superior proposal	Notwithstanding the impediment arising from Ed Peter's and Richard Magides' significant shareholdings in DBF, it is possible that a superior proposal which is more attractive for Non-Associated Shareholders than the Proposed Transaction, may be made in the future. We are not aware of any superior proposal as at the date of this Report.

Source: RSM Analysis



## Response of the market to the announcement of the Proposed Transaction

The share price closed at \$1.35 on 25 June 2025, the last day shares were traded prior to the announcement of the Proposed Transaction on 26 June 2025, and in the subsequent period has traded in the range of \$0.98 to \$1.35.

The VWAP for the Company's shares for the period after the announcement to the date of this Report was \$1.08, which was c. 22.3% and 19.4% lower than the 5- and 10-day VWAP prior to the announcement of \$1.39 and \$1.34, respectively, and 17.6% lower than the 60-day VWAP of \$1.31 prior to the announcement.

Notwithstanding the low liquidity of the Company's traded shares (noting that Richard Magides and Ed Peter collectively hold c. 52% of the issued shares in DBF) and having regard to the fact that the share price may have been negatively impacted by the special dividend also announced on 26 June 2025, we consider that the market has reacted neutrally to the announcement of the Proposed Transaction.

## Alternative proposals to the Proposed Transaction

We are not aware of alternative proposals which may provide a greater benefit to Non-Associated Shareholders at the date of this Report.

The alternative to the Proposed Transaction is for the Non-Associated Shareholders to vote against Resolutions 3, 4 and 5 in the hope that they can realise greater value from their investment in DBF through the Company maintaining its current operations and/or through the emergence of a superior proposal to the Proposed Transaction.

Whilst there is no evidence to suggest that Non-Associated Shareholders would be better off under this alternative, it is possible that an alternative proposal may emerge prior to the EGM to vote for the Proposed Transaction. However, since the announcement of the Proposed Transaction on 26 June 2025, we understand that no superior proposals have been put forward as the date of this Report.

## Conclusion on Reasonableness

In our opinion, the position of Non-Associated Shareholders if Resolutions 3 and 4 are approved is more advantageous than if not approved. Therefore, in the absence of any other relevant information and/or a superior proposal we consider the Proposed Transaction (comprising the approvals being sought under Resolutions 3 and 4) is **Reasonable** for Non-Associated Shareholders.

In forming this opinion we have considered that, whilst we have assessed the transaction as not fair, our assessment of Fair Value of the EP Merger Company Shares and the RM Merger Company Shares has been primarily based on the net assets on a going concern methodology. Having had consideration of ASIC Regulatory Guide RG111 – Content of experts and ASIC Regulatory Guide 170 Prospective we have not had reasonable grounds to rely on Duxton Farm Management's long term forecasts for each of the Merger Companies as set out in more detail in Section 8 of the IER and have, therefore, not adopted a DCF valuation methodology.

Therefore, our assessment of Fairness has not incorporated any potential upside in Fair Value above Net Tangible Assets that may arise as a result of the forecast growth and expansion plans for each Merger Company as set out within Duxton Farms Management's long term forecasts (noting that there are execution and other risks involved in the realisation of this value through the planned growth and expansion of each entity's operations) together with the various qualitative factors outlined earlier in this section of the Report. We also note that there is some supporting evidence for the consideration being paid for the shares in Duxton Bees from a recent entitlement offer as set out in Section 10.1, albeit we have not utilised this transaction as our primary methodology on the basis that 74% of the entitlement offer investment was made by DBF.

Having regard to the above, we consider that the acquisition of portfolio assets with high growth potential for primarily equity consideration, together with the diversification of business activities and risk that the acquisitions provide gives rise to greater advantages to Non-Associated Shareholders than the disadvantages outlined above. We note that realisation of the uplift in value from the growth and expansion of each of the Merger Companies will be highly reliant on the successful implementation of the growth and expansion plans by Duxton Farms and its Investment Manager.

To the extent that Non-Associated Shareholders do not consider that Duxton Farms and/or its Investment Manager will be able to successfully implement these strategies or to the extent that Non-Associated Shareholders have a lower risk appetite and do not wish to take on the execution and other risks related to the investments in the Merger Companies, Non-Associated Shareholders may form the view that the Proposed Transaction is not reasonable.

An individual shareholder's opinion in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

## General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders.

The ultimate decision whether to approve the Resolutions 3 and 4 should be based on each of the Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.



Shareholders should read and have regard to the contents of the Notice which has been prepared by the Independent Directors and Management of Duxton Farms.

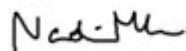
Non Associated Shareholders who are in doubt as to the action they should take with regard to the Proposed Transaction and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

**RSM CORPORATE AUSTRALIA PTY LTD**

A handwritten signature in blue ink, appearing to read "A. Clifford".

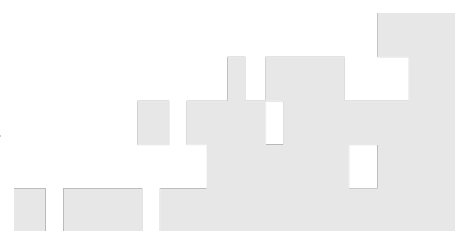
Andrew Clifford  
Partner – Corporate Finance

A handwritten signature in black ink, appearing to read "Nadine Marke".

Nadine Marke  
Partner – Corporate Finance

# Contents

Financial Services Guide.....	2
Independent Expert's Report.....	4
1. Summary of the Proposed Transaction.....	15
2. Scope of the Report.....	17
3. Profile of Duxton Farms Limited.....	19
4. Profile of Duxton Bees Pty Ltd.....	27
5. Profile of Duxton Walnuts Pty Ltd.....	33
6. Profile of Duxton Dried Fruits Pty Ltd.....	37
7. Profile of Duxton Orchards Pty Ltd.....	43
8. Valuation Approach.....	49
9. Valuation of a DBF Share prior to the Proposed Transaction.....	52
10. Valuation of the Merger Companies.....	57
11. Is the Proposed Transaction Fair to the Non-Associated Shareholders?.....	61
12. Is the Proposed Transaction Reasonable to Non-Associated Shareholders?.....	66
A. Declarations and Disclaimers.....	72
B. Sources of Information.....	73
C. Glossary of Terms and Abbreviations.....	74
D. Industry Overview.....	77
E. Property Valuation Report Extracts.....	85



# 1. Summary of the Proposed Transaction

## 1.1 Overview

On 26 June 2025, DBF announced that it had entered into the SIAs and SPAs to acquire the Merger Companies. Details of each Merger Company are set out in Sections 4 to 7. Each Merger Company has an equity capital structure that includes ordinary shares and preference shares.

The Proposed Transaction is to be effected by DBF acquiring all the shares in the Merger Companies that it does not already own via separate Schemes of Arrangement (“**Scheme**” or “**Schemes**”) in relation to preference shares and separate SPAs in relation to ordinary shares. Ordinary shares in each Merger Company are held by Duxton Capital Investments.

The Proposed Transaction will proceed if the Schemes are approved in respect of all four Merger Companies, or in respect of three Merger Companies – Duxton Dried Fruits, Duxton Walnuts and Duxton Bees. The SIAs define either of these scenarios as a successful combination of entities (“**Successful Combination of Entities**”). The Proposed Transaction is also conditional upon shareholder approval of Resolutions 3 and 4.

## 1.2 Key terms of the Proposed Transaction

In consideration for their shares in each Merger Company, Merger Company Shareholders will be offered DBF shares at \$1.25 per DBF share. Each Merger Company preference shareholder can elect to receive up to 20% of their consideration in cash. The consideration to be paid by DBF in respect of the Merger Companies is as follows (at a value of \$1.25 per DBF Share):

- **Duxton Dried Fruits:**
  - Total consideration: \$48.1m
  - \$0.91 per preference share
  - \$nil per ordinary share
- **Duxton Walnuts:**
  - Total consideration: \$21.6m
  - \$1.84 per preference share
  - 1,048,471 DBF shares (equivalent to \$0.93 per ordinary share)
- **Duxton Bees**
  - Total consideration: \$32.2m
  - \$1.05 per preference share
  - 201,897 DBF shares (equivalent to \$0.31 per ordinary share)
- **Duxton Orchards:**
  - Total consideration: \$1.0m
  - \$0.05 per preference share
  - \$nil per ordinary share

Merger Company Shareholders will be issued c. 55.6m shares in Duxton Farms which is expected to represent c. 55.0% of the Duxton Farms Shares on issue following implementation of the Merger (assuming consideration comprises 80% scrip and 20% cash where all preference shareholders in the Merger Companies elect to receive 20% of their consideration in cash, all four Merger Companies are acquired, excluding the Placement).

If the consideration comprises 100% scrip, the Merger Shareholders will be issued c. 69.2m Duxton Farm Shares which is expected to represent c. 60.4% of the Shares on issue following implementation of the Merger (assuming all Merger Companies are acquired and excluding the Placement).

Richard Magides’ relevant interests (including associated entities) will reduce from 35.9% at the date of this Report to 23.7% (80% scrip scenario and including the Placement) or to 22.4% (100% scrip and including the Placement).

Ed Peter’s relevant interests (including associated entities) will reduce from 23.4% at the date of this Report to 14.5% (80% scrip scenario and including the Placement) or to 13.4% (100% scrip and including the Placement).

Existing Non-Associated Shareholders’ interests will fall from 40.7% at the date of this Report to 17.7% (80% scrip scenario) or 15.6% (100% scrip scenario), assuming all Merger Companies are acquired and including the Placement.

### 1.3 Key conditions of the Proposed Transaction

Completion of the Proposed Transaction is subject to and conditional upon a number of conditions and approval, including:

- Approval of DBF Shareholders by the requisite majority at an extraordinary general meeting for the purposes of ASX Listing Rule 10.1 for the acquisition of Merger Company shares from entities associated with Richard Magides and Ed Peter.
- Approval of the Scheme by the requisite majority of the Merger Company's preference shareholders.
- Court approval in accordance with the Corporations Act of the Schemes in respect of the other Merger Companies comprising a Successful Combination of Entities
- ASIC and ASX consents are obtained (if required);
- No objection notifications under the Foreign Acquisitions and Takeovers Act 1975 (Cth) are received in respect of all relevant actions necessary to implement the Scheme.
- The independent expert for the Scheme opines the Scheme is in the best interests of that Merger Company's preference shareholders and does not withdraw or change its conclusion.
- The independent expert for the DBF Extraordinary Meeting opines for the purposes of ASX Listing Rule 10.1 that the transactions comprising the acquisition of the Merger Company shares from certain of the Merger Company's shareholders are fair and reasonable, or not fair but reasonable, to DBF shareholders.
- Neither DBF or the Merger Company being affected by a material adverse change or prescribed occurrence.

### 1.4 Rationale for the Proposed Transaction

As stated in the NoM, the DBF Directors consider that the Proposed Transaction furthers DBF's strategic objective through enhancing diversification and scale across permanent horticulture, viticulture and apiary, and providing exposure to an alternate asset class with a track record of strong returns. The DBF Directors have further stated that the Proposed Transaction:

- creates an agricultural investment platform of scale, increasing Duxton Farms' gross assets to over \$298 million on a pro forma basis as at 31 December 2024 as announced on 26 June 2025 in the Transaction Announcement, enhancing its scale, and positioning it as a more attractive investment opportunity for a broader range of investors;
- seeks to diversify Duxton Farms' portfolio across new geographies, commodities, and production systems, and derisk the earnings profile relative to the current portfolio;
- benefits from an attractive mix of mature operating businesses and greenfield projects, providing both immediate cash flow opportunities and long-term growth potential; and
- brings together an experienced operations team and a track record of value creation.

### 1.5 Shares in the Merger Companies to be acquired under Resolutions 3 and 4

The table below sets out the preference shares and ordinary shares in each Merger Company that would be acquired from the EP 10.1 Parties and Richard Magides.

**Table 4 Summary of EP and RM Merger Company Shares**

Merger Company Shares (#)	Number of Merger Company Shares to be acquired from EP 10.1 Parties	Number of Merger Company Shares to be acquired from Richard Magides
<b>Duxton Bees</b>		
Preference shares	2,578,500	2,444,445
Ordinary Shares	826,944	-
<b>Duxton Dried Fruits</b>		
Preference shares	5,758,872	2,470,590
Ordinary Shares	3,565,016	-
<b>Duxton Walnuts</b>		
Preference shares	2,285,903	2,750,000
Ordinary Shares	1,402,778	-
<b>Duxton Orchards</b>		
Preference shares	6,990,000	5,342,942
Ordinary Shares	1,657,652	-

Source: NoM

## 2. Scope of the Report

### 2.1 Purpose of this Report

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder, a related party or any of its associates without the approval of holders of the entity's ordinary securities. A related party could be a director of the Company.

An asset is considered substantial "if its value; or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is 5% or more of the equity interest of the entity as set out in the latest financial statements given to the ASX".

ASX Listing Rule 10.10 states that the notice for the shareholders' meeting required under ASX Listing Rule 10.5 must include a report on the transaction from an independent expert. The report must state whether, in the expert's opinion, the transaction is fair and reasonable to the Non-Associated Shareholders.

Accordingly, DBF is to hold a meeting of its Shareholders where it will seek approval for the transactions contemplated under Resolutions 3, 4 and 5. DBF has engaged RSM to prepare a report which sets out our opinion as to whether those transactions are fair and reasonable to Non-Associated Shareholders.

### 2.2 Basis of evaluation

Neither the ASX Listing Rules or the Corporations Act define the term "fair and reasonable" for the purpose of ASX Listing Rule 10.1. As such, in determining whether Resolutions 3 and 4 are "fair" and "reasonable" we have given regard to the views expressed by the ASIC in RG 111 and RG 76 *Related party transactions* ("RG 76").

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about related party transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a related party transaction is fair and reasonable.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is "fair" and "reasonable".

RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

RG 111 states that in relation to a related party transactions the expert's assessment of fair and reasonable should not be applied as a composite test – that is, there should be a separate assessment of whether the transaction is "fair" and "reasonable" as in a control transaction.

RG 111.57 states that a proposed related party transaction is "fair" if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

We have also considered whether the transactions contemplated in Resolutions 3 and 4 are "reasonable" to Non-Associated Shareholders by undertaking an analysis of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction including:

- the future prospects of the Company if the Proposed Transaction does not proceed; and
- any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Our assessment is based on economic, market and other conditions prevailing at the date of this Report.

### 2.3 Fairness

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Proposed Transaction is "fair" to Non-Associated Shareholders by assessing and comparing:

- the Fair Value of the EP Merger Company Shares (Resolution 3) and the RM Merger Company Shares (Resolution 4); and
- the Fair Value of the Consideration to be issued by DBF to the EP 10.1 Entities (Resolution 3) and Richard Magides (Resolution 4).

Our assessment of Fair Value has been prepared on the following basis:

*“the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm’s length”.*

On this basis, if the assessed Fair Value of the Consideration to be issued to the EP 10.1 Entities, Richard Magides and Duxton Capital Investments is equal to or less than the Fair Value of the respective shares being purchased, in our opinion, the respective Resolutions would be “fair”.

## 2.4 Reasonableness

We have also considered whether the Proposed Transaction is “reasonable” to Non-Associated Shareholders by undertaking an analysis of other significant factors which Non-Associated Shareholders might consider prior to approving the Proposed Transaction including:

- the future prospects of DBF if the Proposed Transaction does not proceed;
- the future prospects for Non-Associated Shareholders if the Proposed Transaction is not accepted;
- the potential advantages and disadvantages of the Proposed Transaction for the Non-Associated Shareholders, including the specific terms of the Proposed Transaction;
- the existence of alternative proposals;
- the likelihood of a superior proposal emerging;
- the market’s response to the Proposed Transaction; and
- any other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding.

Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

## 3. Profile of Duxton Farms Limited

### 3.1 Background

DBF is an ASX listed Australian agricultural company that directly invests in a diversified portfolio of farmland and water assets. The portfolio of agricultural assets is managed by the Company's investment manager, Duxton Capital.

DBF has been operating as a listed entity since 2018, and was originally known as Duxton Broadacre Farms Limited, as the original portfolio focused specifically on dryland cereal production. From about 2018 to 2020, the Company focused on integrating livestock into its NSW operation at Forbes and acquiring or developing irrigated country to facilitate cotton cultivation, turning the aggregation into a mixed farming enterprise.

Duxton Farms' investment thesis is defined by the long-term growth in the global demand for agricultural commodities, which the business views as being driven by the convergence of two megatrends fundamental to the modern world as it is currently developing: the growth of the global population and rising incomes in emerging markets.

Duxton Farms currently has circa 16 full-time employees, with separate teams at Piambie, its New South Wales aggregation, and Mountain Valley Station. Additionally, the business employs a number of seasonal contractors.

Duxton Farms Limited's sole subsidiary entity is a 100% ownership interest in Duxton Pistachios Pty Limited. DBF also holds non-controlling interests in Duxton Bees and Duxton Dried Fruits.

### 3.2 Properties

The properties owned by Duxton Farms are summarised in the table below.

**Table 5 Duxton Farms properties**

Property	Detail	Agricultural products
NSW Aggregation (Forbes)		
Walla Wallah	Total area (Ha): 1,400 Dryland cropping (Ha): 411 Irrigated cropping (Ha): 939	Wheat, barley, canola and cotton
Cowaribin	Total area (Ha): 940 Dryland cropping (Ha): 594 Irrigated cropping (Ha): 281	Livestock and fodder
Merriment	Total area (Ha): 535 Dryland cropping (Ha): 148 Irrigated cropping (Ha): 367	Livestock and fodder
Yarranlea	Total area (Ha): 2,184 Dryland cropping (Ha): 1,394 Irrigated cropping (Ha): 560	Wheat, barley, canola and cotton
West Plains	Total area (Ha): 3,900 Dryland cropping (Ha): 3,155 Irrigated cropping (Ha): 639	Wheat, barley, canola and cotton
Water entitlements	Water entitlements across the NSW aggregation: Owned: 10,174ML Leased: 6,798 ML	
Victoria		
Piambie	Total area (Ha): 1,185 Irrigated cropping (Ha): 617 Pistachios (Ha): 297	Pistachio plantation under development
Northern Territory		
NT Portion 8554	Total area (Ha): 2,386 Horticultural development land (Ha): 665	Horticultural development site Currently 33 Ha of Kakadu plums and small portion of cashews.

Mountain Valley (Leased)	Total area (Ha): 141,000	Grazing with cropping areas under development
Wildman (Leased)	Total area (Ha): 23,802 Grazing (Ha): 18,077 Cropping under development (Ha): 8,000	Grazing, with circa 500 head capacity, cropping areas under development
Water entitlements	The Wildman property has a water portfolio of 8,026ML	

Source: Management

### 3.3 Directors

The directors of Duxton Farms are summarised in the table below.

**Table 6 Duxton Farms' directors**

Name	Title
Edouard Peter	Executive Chairman
Stephen Duerden	Non-Executive Director
Mark Harvey	Independent Non-Executive Director
Wade Dabinett	Independent Non-Executive Director
Paul Burke	Independent Non-Executive Director
Rachel Triggs	Independent Non-Executive Director
Katelyn Adams	Company Secretary

Source: Audited financial statements for FY25



### 3.4 Financial information

The auditors of DBF, Grant Thornton Audit Pty Limited, provided an unqualified opinion in relation to the financial statements as at 30 June 2025.

### 3.5 Financial performance

The information in the following section provides a summary of the financial performance of DBF for the financial years ended 30 June 2022 ("FY22"), 30 June 2023 ("FY23"), 30 June 2024 ("FY24") and 30 June 2025 ("FY25") (collectively the "Historical Period"), extracted from the audited financial statements of DBF.

**Table 7 DBF historical financial performance**

Duxton Farms	FY22	FY23	FY24	FY25
Financial performance (\$'000)	Audited	Audited	Audited	Audited
Sales	16,644	7,296	24,076	20,048
Cost of sales	(15,969)	(5,240)	(1,964)	(1,297)
Biological transformation (crops and livestock)	3,404	(7,911)	(11,127)	(16,418)
<b>Gross profit</b>	<b>4,079</b>	<b>(5,855)</b>	<b>10,985</b>	<b>2,333</b>
<i>Gross profit margin</i>	<i>24.5%</i>	<i>-80.2%</i>	<i>45.6%</i>	<i>11.6%</i>
Other income	664	1,531	13,291	1,158
<b>Operating expenses</b>				
Operational expenses	(2,584)	(3,789)	(5,130)	(7,065)
Management, performance and accounting services	(3,535)	(1,356)	(2,189)	(1,485)
Administration expenses	(1,894)	(1,767)	(3,006)	(4,924)
Proposed merger costs	-	-	-	(3,694)
Share of associate loss (equity method)	-	-	-	(762)
Gain on bargain purchase	-	1,227	-	-
<b>Total operating expenses</b>	<b>(8,013)</b>	<b>(5,685)</b>	<b>(10,325)</b>	<b>(17,930)</b>
<i>OPEX as a % of sales</i>	<i>-48.1%</i>	<i>-77.9%</i>	<i>-42.9%</i>	<i>-89.4%</i>
<b>EBITDA</b>	<b>(3,270)</b>	<b>(10,009)</b>	<b>13,951</b>	<b>(14,439)</b>
<i>EBITDA margin</i>	<i>-19.6%</i>	<i>-137.2%</i>	<i>57.9%</i>	<i>-72.0%</i>
Depreciation and amortisation	(973)	(1,375)	(1,910)	-
Reversal of impairment	971	5	(150)	(502)
<b>EBIT</b>	<b>(3,272)</b>	<b>(11,379)</b>	<b>11,891</b>	<b>(14,941)</b>
<i>EBIT margin</i>	<i>-19.7%</i>	<i>-156.0%</i>	<i>49.4%</i>	<i>-74.5%</i>
Interest income	-	1	43	216
Interest expense	(913)	(2,099)	(5,024)	(2,007)
<b>NPBT</b>	<b>(4,185)</b>	<b>(13,477)</b>	<b>6,910</b>	<b>(16,732)</b>
<i>NPBT margin</i>	<i>-25.1%</i>	<i>-184.7%</i>	<i>28.7%</i>	<i>-83.5%</i>
Income tax	1,018	3,388	(1,717)	4,227
<b>NPAT</b>	<b>(3,167)</b>	<b>(10,089)</b>	<b>5,193</b>	<b>(12,505)</b>
<i>NPAT margin</i>	<i>-19.0%</i>	<i>-138.3%</i>	<i>21.6%</i>	<i>-62.4%</i>
Net fair value gain on financial asset net of income tax	-	-	-	276
Valuation uplift on revaluation of other properties	25,567	10,959	10,462	1,398
<b>Total comprehensive income for the year</b>	<b>22,400</b>	<b>870</b>	<b>15,655</b>	<b>(10,831)</b>

Source: Audited financial statements

Analysis of the historical financial performance of DBF is set out in the following pages.

The total comprehensive income includes the valuation uplift on the fair value of properties.

We note the following in relation to DBF historical financial performance:

## Revenue

Revenue over the Historical Period is summarised by product in the table below.

**Table 8 DBF historical revenue**

Duxton Farms	FY22	FY23	FY24	FY25
Sales by product (\$'000)	Audited	Audited	Audited	Audited
Cotton	650	716	820	6,948
Canola	2,160	1,754	5,183	2,360
Wheat	8,729	1,760	7,876	4,191
Cattle	2,105	1,513	2,471	3,181
Barley	1,584	389	6,191	1,747
Faba beans	-	-	210	510
Sheep	1,200	969	731	944
Hay	12	66	478	124
Field peas	111	-	-	-
Wool	93	129	98	40
Chickpeas	-	-	18	3
<b>Total sales</b>	<b>16,644</b>	<b>7,296</b>	<b>24,076</b>	<b>20,048</b>

Source: Audited financial statements

The financial performance and cropping volumes of DBF is reliant upon seasonal weather conditions. DBF generated the majority of revenue from sales of wheat (33%), canola (18%), barley (12%), cotton (13%) and cattle (15%) over the Historical Period. In FY25 DBF generated 35% of revenue from cotton, 21% from wheat, 16% from cattle and 12% from Canola.

Revenue declined in FY25 compared to FY24, driven by lower production of wheat and barley, partly offset by a significant increase in cotton revenue and an increase in cattle revenue as a result of growth in herd numbers. Overall, cropping contributed circa 79% of revenue in FY25 compared to 87% in FY24, with livestock revenue representing 21% of revenue in FY25.

FY22 and particularly FY23 revenue was adversely affected by severe flooding events. The winter crop in FY23 was almost 80% smaller than FY22.

## Other income

Other income in FY24 included a gain on sale of assets of \$11.3m, primarily in relation to the divestment of the Timberscombe asset. In the absence of this gain on sale, DBF would have incurred a net loss after tax of circa \$6.1m and total comprehensive income for the year of circa \$4.4m.

## Expenses

Management, performance and accounting services represent charges from Duxton Capital (Australia) Pty Limited ("Duxton Capital"). In FY25, Duxton Capital charged a management fee of \$1.0m (FY24: \$1.2m) and a performance fee of \$Nil (FY24: \$757k) under the investment management agreement.

The gain on bargain purchase disclosed in FY23 was in relation to the purchase of the business of Mountain Valley Station in the Northern Territory in December 2022.

### 3.6 Financial position

The table below sets out a summary of the financial position of DBF as at 30 June 2023, 2024 and 2025.

**Table 9 DBF historical financial position**

Duxton Farms	30-Jun-23	30-Jun-24	30-Jun-25
Financial position (\$'000)	Audited	Audited	Audited
<b>Current assets</b>			
Cash and cash equivalents	13	28,619	23,279
Trade and other receivables	462	542	1,821
Biological assets	12,695	11,673	10,408
Inventory	2,043	6,678	4,149
Other assets	330	524	699
Sale of non-current assets	-	-	-
<b>Total current assets</b>	<b>15,543</b>	<b>48,036</b>	<b>40,356</b>
<b>Non-current assets</b>			
Property, plant and equipment	155,853	126,715	103,913
Investments	1,756	4,091	4,823
Financial assets	-	-	6,280
Intangible assets	8,221	8,463	8,463
Right of use	2,206	1,706	5,534
<b>Total non-current assets</b>	<b>168,036</b>	<b>140,975</b>	<b>129,013</b>
<b>Total assets</b>	<b>183,579</b>	<b>189,011</b>	<b>169,369</b>
<b>Current liabilities</b>			
Overdrafts	(11,489)	-	-
Trade and other payables	(2,259)	(7,350)	(13,781)
Lease liabilities	(465)	(488)	(777)
Borrowings	(736)	(918)	(2,065)
Employee benefits	(530)	(529)	(498)
Tax liabilities	-	(383)	(2,786)
<b>Total current liabilities</b>	<b>(15,479)</b>	<b>(9,668)</b>	<b>(19,907)</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities	(14,308)	(17,729)	(11,434)
Lease liabilities	(1,771)	(1,283)	(4,881)
Borrowings	(43,706)	(40,462)	(34,757)
Employee benefits	(7)	(11)	(13)
<b>Total non-current liabilities</b>	<b>(59,792)</b>	<b>(59,485)</b>	<b>(51,085)</b>
<b>Total liabilities</b>	<b>(75,271)</b>	<b>(69,153)</b>	<b>(70,992)</b>
<b>Net assets</b>	<b>108,308</b>	<b>119,858</b>	<b>98,377</b>
<b>Equity</b>			
Issued capital	71,702	71,770	70,998
Reserves	55,935	40,096	25,669
Accumulated profits/losses	(19,329)	7,992	1,710
<b>Total equity</b>	<b>108,308</b>	<b>119,858</b>	<b>98,377</b>

Source: Audited financial statements

We note the following in relation to DBF's financial position:

- DBF disclosed net assets of \$98.4m as at 30 June 2025.
- Current assets include the following:
  - Inventory primarily comprises consumables valued at cost, crops on hand valued at Fair Value less cost to sell.
  - Biological assets, comprising crops in the ground and livestock valued in accordance with AASB 141 – Agriculture.

- Non-current assets include the following:
  - Property, plant and equipment comprising (at net book value):
    - Land and buildings \$87.8m.
    - Plant and equipment \$8.6m.
    - Work in progress \$7.5m.
  - Freehold land and buildings are valued at Fair Value. The Fair Value measurements of freehold and buildings were prepared by CBRE Valuations Pty Ltd (“**CBRE**”) and Knight Frank Valuation & Advisory South Australia (“**Knight Frank**”).
  - DBF announced on 9 April 2025 that the sale of the Kentucky property in NSW had settled for a sale price of \$38m, with \$500k of this amount withheld as a retention sum pending some final remediation work and soil testing.
  - The increase in right of use assets in FY25 is primarily due to new leases entered into on 1 January 2025 in relation the property known as Wildman in the Northern Territory and the property known as Ord Irrigation in Western Australia.
  - Investments in associates represent the investment in Duxton Bees as at 30 June 2025. In December 2024, DBF subscribed for 5.2m shares in Duxton Bees for a total consideration of \$4.0m which increased DBF’s interest in Duxton Bees from 8.7% to 23.3%. As at 30 June 2024, DBF’s 8.7% interest in Duxton Bees was disclosed as a financial asset.
  - As at 30 June 2025, financial assets primarily comprise DBF’s ownership interest in Duxton Dried Fruits stated at Fair Value.
  - Intangible assets comprise water licences valued at lower of cost and their Fair Value less cost to sell.
- Liabilities include the following:
  - Trade and other payables include a dividend payable of \$9.9m as at 30 June 2025 (FY24: \$4.2m).
  - Borrowings comprise bank loans and equipment loans. As at 30 June 2025, DBF had an overdraft facility of \$8m that was drawn to \$1.3m and a \$40m bank loan expiring on 31 August 2026 that was drawn to \$34.0m.
  - Deferred tax liabilities relate primarily to the property, plant and equipment.

### 3.7 Capital structure

At as 7 August 2025, DBF had 45.4m ordinary shares on issue. The top 20 shareholders are set out below.

**Table 10 DBF Top 20 Shareholders**

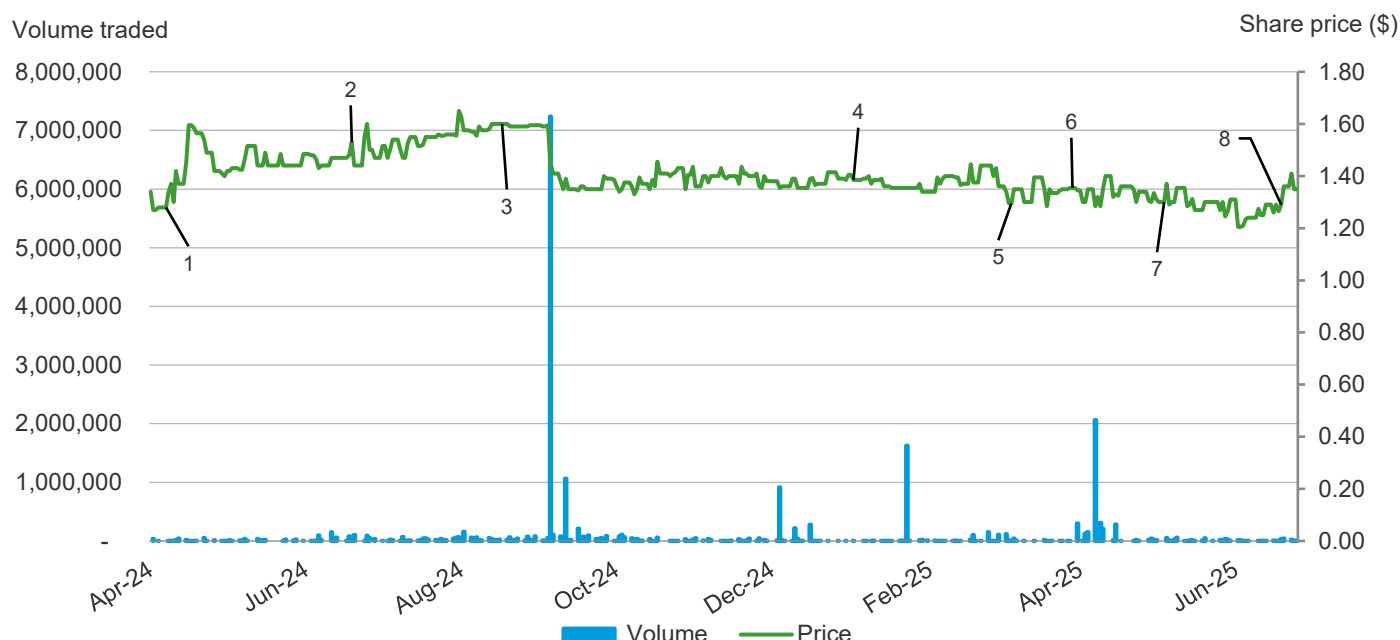
<b>Duxton Farms</b>		
<b>Shareholders</b>	<b>No. of shares</b>	<b>% shareholding</b>
<b>Ordinary Shares</b>		
BNP Paribas Noms Pty Ltd	15,536,769	34.21%
Citicorp Nominees Pty Limited	14,833,897	32.66%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	1,469,192	3.24%
HSBC Custody Nominees (Australia) Limited	1,021,613	2.25%
Warbont Nominees Pty Ltd	734,914	1.62%
David Handley Nominees Pty Ltd	671,843	1.48%
Char Pty Ltd	655,018	1.44%
JP Morgan Nominees Australia Pty Limited	558,652	1.23%
BNP Paribas Nominees Pty Ltd	487,487	1.07%
Perpetual Corporate Trust Ltd <AIF>	482,592	1.06%
Duxton Capital Investments Pty Limited	400,088	0.88%
UBS Nominees Pty Ltd	365,000	0.80%
Certane Ct Pty Ltd	285,502	0.63%
Mr Edouard Fernen Peter	280,120	0.62%
Abbawood Nominees Pty Ltd	275,000	0.61%
Mr Grant David Jopling	232,500	0.51%
Av&Rv Pty Ltd	216,008	0.48%
Perpetual Corporate Trust Ltd <Afflunce LIC Fund>	203,688	0.45%
Bond Street Custodians Limited	203,346	0.45%
Cellar Stocks Pty Limited <Cellar Investment A/C>	200,000	0.44%
<b>Top 20 Shareholders</b>	<b>39,113,229</b>	<b>86.12%</b>
Other shareholders	6,302,078	13.9%
<b>Total</b>	<b>45,415,307</b>	<b>100.0%</b>

Source: DBF shareholder register

### 3.8 Share Price Performance

The figure below sets out a summary of DBF's closing share price and volumes traded for the period 1 April 2024 to the day before the Proposed Transaction announcement, being 25 June 2025.

**Figure 1 Historical share price performance of DBF**



Source: ASX and S&P Capital IQ

Over the period set out above, DBF Shares traded at a low of \$1.21 to a high of \$1.65

Significant announcements made over the period 11 April 2024 to 26 June 2025 are summarised in the table below.

**Table 11 Summary of recent selected announcements**

Ref	Date	Comment
1	11-Apr-24	DBF announced the successful divestment of its Timberscombe property to Altorra Ag Pty Ltd for \$70.0m.
2	21-Jun-24	DBF announced a dividend of 10 cents per share. The Company also announced that it had executed contracts to acquire the 2,386-hectare NT Portion 5088 in the Top End of the Northern Territory for \$10.3m.
3	29-Aug-24	DBF released its preliminary final report, announcing a profit after tax of \$5.2m for the year, inclusive of the gain on sale of the Timberscombe property.
4	31-Jan-25	Duxton Farms released an investment update, including the lease over the Wildman Agricultural Precinct.
5	28-Feb-25	The Company released its half-yearly report and accounts, reporting a net loss after tax of \$3.1m for the period.
6	27-Mar-25	Duxton Farms announced the \$38.0m sale of its 'Kentucky' property, marking a key step in its strategy to shift away from dryland cropping. The sale supports the Company's move toward a more diversified agricultural portfolio, with proceeds intended for new investments, debt reduction, and potential shareholder returns.
7	30-Apr-25	DBF released its Q3 FY2025 Activities Report, announcing an operating cash flow deficit of \$2.2m for the quarter due to spending on the 2026 winter crop. The company acquired a 2,386 ha property in the Northern Territory for \$10.3m and settled the sale of its "Kentucky" aggregation for \$38.0m.
8	26-Jun-25	DBF announced the Proposed Transaction, including a \$4.0m fully underwritten placement at \$1.25 per share. DBF also announced an 85% franked special dividend of \$0.24 per share.

Source: S&P Capital IQ and Duxton Farms ASX announcements

## 4. Profile of Duxton Bees Pty Ltd

### 4.1 Background

Established in 2020, Duxton Bees is an integrated Australian apiculture business that operates over 8,000 productive hives across South Australia, Victoria, New South Wales, and Queensland. The company has expanded through acquisitions, including approximately 5,000 hives acquired across three transactions in 2024–2025, and manages over 680 nucleus hives to support ongoing colony growth and queen production. Each hive includes circa 80,000 bees. Duxton Bees is expected to reach 650 tonnes of annual honey production in FY26 and reach operational maturity by FY29.

Originally focused on pollination services and bulk honey production Duxton Bees holds pollination contracts with a number of large Australian almond growers, providing revenue for pollination services, hive brokerage and hive audits.

Duxton Bees has evolved into a multi-service provider in the beekeeping industry. In addition to pollination, it offers hive broking, auditing, and disease treatment advisory services, with a focus on building resilience against threats such as the Varroa Mite, a highly damaging parasitic mite that attacks and feeds on honey bees. In relation to its own hives, we understand Duxton Bees has not suffered any hive losses due to Varroa Mite.

Duxton Bees holds an exclusive distribution agreement to distribute Oxalerine, an oxalic acid treatment for the Varroa Mite, throughout Australia. Pending regulatory approval for the product in Australia, Management expect to distribute the product on a national basis.

The business is supported by over 700 landholder relationships, including with government-owned land, providing access to a wide variety of pollination flora. Duxton Bees purchases beehives and bee colonies and licenses them to government owned apiary sites. Duxton Bees has licenses with circa 560 government apiary sites. These licenses allow Duxton Bees to either deploy and manage its own beehives directly on these licensed sites or lease the licences to third party bee keepers within the industry for seasonal use. When leased to third parties for seasonal use Duxton Bees may also provide value added services including the purchase of honey produced on site and the supply of disease management products.

Duxton Bees is vertically integrated, with operations spanning production, processing and distribution. Duxton Bees is in the process of transitioning its product mix toward higher-margin branded honey under the Fuzzy Bum label, which it aims to launch in Coles supermarkets by late 2025.

### 4.2 Properties

The properties owned by Duxton Bees are summarised in the table below.

**Table 12 Duxton Bees' properties**

Property	Detail	Commentary
Pallamana Processing Facility	Total area (Ha): 2.63 Location: Pallamana, SA	<ul style="list-style-type: none"> <li>Located outside of Murray Bridge, South Australia</li> <li>Honey extraction and processing facility with onsite storage</li> <li>All-year access by bitumen road</li> <li>Has shedding, warehouse with cool room and office</li> </ul>
Wentworth Block	Total area (Ha): 4,885 Location: Wentworth, NSW	<ul style="list-style-type: none"> <li>Scrubland block located 50 kilometres north of Mildura</li> <li>Purpose for Duxton Bees to guarantee location to store and rest hives in the Sunraysia</li> <li>Mix of open and timbered grazing land</li> <li>Access by dirt road</li> <li>No structures, small catchment dam</li> </ul>

Source: Management

### 4.3 Directors

The directors of Duxton Bees are summarised in the table below.

**Table 13 Duxton Bees' Directors**

Name	Title
Simon Stone	Chairman
Edouard Peter	Director
Stefano Marafiote	Director
Keegan Blignaut	Managing Director

Source: Duxton Bees Financial Report for Half-Year Ended 31 December 2024

## 4.4 Financial information

The auditors of Duxton Bees, PKF Adelaide, provided an unqualified opinion in relation to the financial statements as at 30 June 2024 and an unqualified review conclusion in relation to the financial statements as at 31 December 2024.

The financial statements for the half year ended 31 December 2024 included a note in relation to going concern noting the following:

- the Company generated a loss before income tax of \$1.6m and net operating cash outflows of \$0.79m;
- as at 31 December Duxton Bees' current ratio was 8.2 indicating that the Company has sufficient short-term assets to meet current obligations and payables;
- while Duxton Bees continues to grow and expand its revenue streams, it is not expecting to generate an operational profit in FY25; however
- after a successful \$5.5m capital raise and the refinancing of its debt in the first half of FY25, the company is well capitalised and expects to have sufficient cash to see it through to operational profitability.

## 4.5 Financial performance

The information in the following section provides a summary of the financial performance of Duxton Bees for FY22, FY23, FY24 and 1HY25, extracted from the audited and reviewed financial statements of Duxton Bees.

**Table 14 Duxton Bees' historical financial performance**

Duxton Bees	FY22	FY23	FY24	1HY25
Financial performance (\$'000)	Audited	Audited	Audited	Reviewed
Sales	615	586	3,100	6,096
Cost of sales	(270)	(485)	(2,163)	(4,898)
Biological transformation	164	139	(253)	(260)
<b>Gross profit</b>	<b>509</b>	<b>240</b>	<b>684</b>	<b>938</b>
<i>Gross profit margin</i>	<i>82.7%</i>	<i>41.0%</i>	<i>22.1%</i>	<i>15.4%</i>
Other income	52	55	52	14
Disposal of assets	-	(59)	(42)	(8)
<b>Operating expenses</b>				
Employee costs	(1,021)	(2,053)	(2,362)	(1,279)
Administrative expenses	(151)	(391)	(461)	(313)
Repairs and maintenance	(129)	(201)	(216)	(113)
Professional fees	(129)	(64)	(104)	(61)
Other expenses	(208)	(458)	(942)	(333)
<b>Total operating expenses</b>	<b>(1,638)</b>	<b>(3,167)</b>	<b>(4,085)</b>	<b>(2,099)</b>
<i>OPEX as a % of sales</i>	<i>-266.2%</i>	<i>-540.4%</i>	<i>-131.8%</i>	<i>-34.4%</i>
<b>EBITDA</b>	<b>(1,077)</b>	<b>(2,931)</b>	<b>(3,391)</b>	<b>(1,155)</b>
<i>EBITDA margin</i>	<i>-175.0%</i>	<i>-500.2%</i>	<i>-109.4%</i>	<i>-18.9%</i>
Depreciation and amortisation	(293)	(506)	(381)	(398)
<b>EBIT</b>	<b>(1,369)</b>	<b>(3,437)</b>	<b>(3,772)</b>	<b>(1,553)</b>
<i>EBIT margin</i>	<i>-222.5%</i>	<i>-586.5%</i>	<i>-121.7%</i>	<i>-25.5%</i>
Interest income	0	138	92	10
Interest expense	(37)	(57)	(62)	(70)
<b>NPBT</b>	<b>(1,407)</b>	<b>(3,356)</b>	<b>(3,742)</b>	<b>(1,613)</b>
<i>NPBT margin</i>	<i>-228.6%</i>	<i>-572.7%</i>	<i>-120.7%</i>	<i>-26.5%</i>
Income tax benefit	423	1,141	1,006	403
<b>NPAT</b>	<b>(984)</b>	<b>(2,215)</b>	<b>(2,736)</b>	<b>(1,210)</b>
<i>NPAT margin</i>	<i>-159.8%</i>	<i>-378.0%</i>	<i>-88.3%</i>	<i>-19.8%</i>
Net fair value gain on financial asset net of income tax	-	-	657	984
Valuation uplift on revaluation of other properties	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(984)</b>	<b>(2,215)</b>	<b>(2,079)</b>	<b>(226)</b>

Source: Audited and reviewed financial statements



We note the following in relation to Duxton Bees historical financial performance:

- Duxton Bees primarily generates revenue from the following sources:
  - **Honey and wax sales:** bulk honey and branded honey. We understand that Duxton Bees also expects to generate supermarket sales via offtake agreements. Wax sales consist of bee wax and queen bee sales and only account for a minimal amount of total honey and wax sales.
  - **Pollination services:** offered to crop growers, hive brokering and auditing.
- In FY24 and 1HY25, the majority of revenue was generated from pollination services. As Duxton Bees scales the business, it expects that honey and wax sales will form the majority of revenue.
- Cost of sales primarily comprise pollination expenses and operating costs mainly comprise employee expenses.

## 4.6 Financial position

The table below sets out a summary of the financial position of Duxton Bees as at 30 June 2023, 30 June 2024 and 31 December 2024.

**Table 15 Duxton Bees' historical financial position**

Duxton Bees	30-Jun-23	30-Jun-24	31-Dec-24
Financial position (\$'000)	Audited	Audited	Reviewed
<b>Current assets</b>			
Cash and cash equivalents	5,698	416	5,404
Trade and other receivables	48	36	21
Biological assets	1,118	1,419	1,478
Inventory	241	540	330
Other assets	82	73	237
Livestock	135	206	212
<b>Total current assets</b>	<b>7,322</b>	<b>2,690</b>	<b>7,682</b>
<b>Non-current assets</b>			
Property, plant and equipment	9,031	10,115	11,636
Intangible assets	-	-	14
Right of use	14	-	-
Deferred tax assets	1,894	2,681	2,756
<b>Total non-current assets</b>	<b>10,939</b>	<b>12,796</b>	<b>14,406</b>
<b>Total assets</b>	<b>18,261</b>	<b>15,486</b>	<b>22,088</b>
<b>Current liabilities</b>			
Trade and other payables	(1,864)	(179)	(322)
Lease liabilities	(15)	-	-
Equipment finance	(247)	(300)	(349)
Provisions	(68)	(85)	(125)
Share application escrow	-	-	(127)
<b>Total current liabilities</b>	<b>(2,194)</b>	<b>(564)</b>	<b>(923)</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities	-	-	-
Equipment finance	(3)	(845)	(948)
Interest liabilities	-	(800)	(1,200)
Provisions	(712)	(5)	(21)
<b>Total non-current liabilities</b>	<b>(715)</b>	<b>(1,650)</b>	<b>(2,169)</b>
<b>Total liabilities</b>	<b>(2,909)</b>	<b>(2,214)</b>	<b>(3,092)</b>
<b>Net assets</b>	<b>15,352</b>	<b>13,272</b>	<b>18,996</b>
<b>Equity</b>			
Issued capital	19,510	19,510	25,459
Reserves	-	656	1,641
Accumulated profits/losses	(4,158)	(6,894)	(8,104)
<b>Total equity</b>	<b>15,352</b>	<b>13,272</b>	<b>18,996</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Bees' financial position:

- Duxton Bees disclosed net assets of \$19.0m as at 31 December 2024.

- Property, plant and equipment includes the carrying value of property and buildings including the Pallamana processing facility and Wentworth.
- Borrowings comprises a \$2.0m debt facility with \$1.2m drawn as at 31 December 2024. The facility expires on 30 January 2026.
- Duxton Bees undertook an equity capital raise during the 6 months to 31 December 2024 to raise circa \$5.5m.

## 4.7 Capital structure

The top 20 shareholders of Duxton Bees as at the date of this Report are set out below.

**Table 16 Duxton Bees' Top 20 Shareholders**

Duxton Bees		
Shareholders	No. of shares	% shareholding
<b>Ordinary Shares</b>		
Duxton Capital (Australia) Pty Ltd	826,944	2.7%
<b>Total Ordinary Shares</b>	<b>826,944</b>	<b>2.7%</b>
<b>Preference shares</b>		
Duxton Farms Ltd	7,253,629	23.3%
Washington H. Soul Pattinson and Company Limited	3,529,412	11.3%
Zentree Investments Limited	2,444,445	7.9%
AEONLUX SARL	2,155,420	6.9%
Sandhurst Trustees Limited	2,041,177	6.6%
Tayside Australia Pty Ltd	1,176,470	3.8%
BHC Consulting Pty Ltd ATF B.H Candy Family Trust	882,353	2.8%
CSMU Pty Ltd	833,333	2.7%
Duxton Capital (Australia) Pty Ltd	826,944	2.7%
Konow Pty Ltd	647,058	2.1%
Dawes Super Pty Ltd	602,941	1.9%
Yambina Pty. Ltd	600,000	1.9%
Teralani Investments Pty Ltd	588,236	1.9%
Capital Square Pty Ltd	588,236	1.9%
Dental Healthcare Pty Ltd	588,235	1.9%
Harry Cator	576,666	1.9%
Duxton Vineyards Land Co Pty Ltd	574,705	1.8%
Duxton Capital Investments Pty Ltd ACN: 637 749 921	537,323	1.7%
Besen Family Foundation Pty Ltd	500,000	1.6%
<b>Top 20 Shareholders</b>	<b>27,773,527</b>	<b>89.3%</b>
Other shareholders	3,335,530	10.7%
<b>Total</b>	<b>31,109,057</b>	<b>100.0%</b>

Source: Duxton Bees

### Summary of rights attaching to ordinary shares and preference shares

Ordinary shares entitle the holder to:

- participate in dividends
- participate in the proceeds on winding up of the company in proportion to the number of, and amounts paid on the shares held; and
- the right to attend and vote at all meetings of the company.

Preference shareholders have the right:

- in any reduction or return of capital to payment of capital in priority to ordinary shares.
- on a winding up to payment of the capital in priority to ordinary shares.
- to participate in any surplus assets or profits in the event of a winding up;
- to attend and vote at all meetings of the company;
- the right to participate in dividends.

Preference shares have no rights of redemption or conversion and preference shareholders have pre-emptive rights on the issue of new preference shares.

## 5. Profile of Duxton Walnuts

### 5.1 Background

Duxton Walnuts was established in 2014 with the acquisition of two dairy properties in New South Wales. Dairy operations continued until 2020, at which point one property was sold and the remaining site was repurposed for horticultural development. The shift from dairy to horticulture was driven by sustained declines in milk prices and increased imports of dairy products from New Zealand. In 2023, following a feasibility assessment, the business commenced its transition into a walnut plantation, operating under the name Duxton Walnuts.

The current development involves a greenfield walnut operation, with 145 hectares planted across 2023–2024 and total orchard size expected to reach 584 hectares by 2028. The site has secure access to water through Murray River entitlements and on-site dam storage and is in a region with climatic conditions suitable for permanent crop production.

The property also generates a small portion of revenue through broadacre cropping and leasing of an on-site sand quarry, though cropping activities—previously including canola, barley, lucerne, oats, and corn—are expected to wind down as walnut planting progresses. Once fully developed, the Yarramundee site is expected to operate as a single-commodity walnut plantation, with full maturity targeted by 2032.

### 5.2 Properties

The properties owned by Duxton Walnuts are summarised in the table below.

**Table 17 Duxton Walnuts properties**

Property	Detail	Commentary
Yarramundee	Planted area (Ha): 145 Vacant area (Ha): 981 Total area (Ha): 1,126 Location: Boomanoomana, NSW	<ul style="list-style-type: none"> <li>Located between Yarrawonga and Cobram, both well-sized towns with agricultural services</li> <li>Access by gravel road</li> <li>Has three dwellings, shedding, workshop, and cattle yards</li> <li>Has irrigation infrastructure with Murray River frontage and water storage on site</li> <li>Has a sand quarry which is operated by external third party providing royalty income</li> </ul>

Source: Management

### 5.3 Directors and management

The directors and key management of Duxton Walnuts are summarised in the table below.

**Table 18 Duxton Walnuts directors**

Name	Title
Benjamin Ferro	Director
Derek Goullet	Director/Operations Manager
Simone Stone	Director

Source: Duxton Walnuts Financial Report for Half-Year Ended 31 December 2024

## 5.4 Financial information

The auditors of Duxton Walnuts, PKF Adelaide, provided an unqualified opinion in relation to the financial statements as at 30 June 2024 and an unqualified review conclusion in relation to the financial statements as at 31 December 2024.

## 5.5 Financial performance

The information in the following section provides a summary of the financial performance of Duxton Walnuts for FY22, FY23, FY24, and 1HY25, extracted from the audited and reviewed financial statements of Duxton Walnuts.

**Table 19 Duxton Walnuts historical financial performance**

Duxton Walnuts	FY22	FY23	FY24	1HY25
Financial performance (\$'000)	Audited	Audited	Audited	Reviewed
Sales	3,510	4,348	3,249	440
Cost of sales	29	(451)	(631)	11
<b>Gross profit</b>	<b>3,540</b>	<b>3,897</b>	<b>2,618</b>	<b>451</b>
<i>Gross profit margin</i>	<i>100.8%</i>	<i>89.6%</i>	<i>80.6%</i>	<i>102.5%</i>
Other income	447	189	400	79
<b>Operating expenses</b>				
Operating expenses	(3,406)	(3,913)	(3,220)	(780)
Administration expenses	(291)	(263)	(623)	(169)
Management fees	(350)	(467)	(475)	(322)
Repairs and maintenance	(245)	(478)	(504)	-
<b>Total operating expenses</b>	<b>(4,292)</b>	<b>(5,122)</b>	<b>(4,821)</b>	<b>(1,271)</b>
<i>OPEX as a % of sales</i>	<i>-122.3%</i>	<i>-145.9%</i>	<i>-137.4%</i>	<i>-36.2%</i>
<b>EBITDA</b>	<b>(305)</b>	<b>(1,036)</b>	<b>(1,803)</b>	<b>(741)</b>
<i>EBITDA margin</i>	<i>-8.7%</i>	<i>-23.8%</i>	<i>-55.5%</i>	<i>-168.4%</i>
Depreciation and amortisation	(219)	(243)	(301)	(162)
<b>EBIT</b>	<b>(524)</b>	<b>(1,279)</b>	<b>(2,104)</b>	<b>(903)</b>
<i>EBIT margin</i>	<i>-14.9%</i>	<i>-36.4%</i>	<i>-59.9%</i>	<i>-25.7%</i>
Interest income	1	3	1	-
Interest expense	(73)	(198)	(467)	(271)
<b>NPBT</b>	<b>(595)</b>	<b>(1,474)</b>	<b>(2,570)</b>	<b>(1,174)</b>
<i>NPBT margin</i>	<i>-17.0%</i>	<i>-42.0%</i>	<i>-73.2%</i>	<i>-33.4%</i>
Income tax	128	(305)	895	352
<b>NPAT</b>	<b>(467)</b>	<b>(1,779)</b>	<b>(1,675)</b>	<b>(822)</b>
<i>NPAT margin</i>	<i>-13.3%</i>	<i>-50.7%</i>	<i>-47.7%</i>	<i>-23.4%</i>
Valuation uplift on revaluation of other properties	2,780	3,136	2,839	285
Net fair value gain on financial asset net of income tax	(906)	(990)	(852)	-
<b>Total comprehensive income for the year</b>	<b>1,408</b>	<b>368</b>	<b>312</b>	<b>(537)</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Walnuts historical financial performance:

- Duxton Walnuts historically operated as a dairy business until conversion to a walnut plantation commenced around 2020.
- Revenue over FY22 to FY24 was primarily comprised of milk sales, with a small amount of other income comprised of crop sales. Other income also includes royalty income generated from a sand quarry operated by a third-party entity.
- Sales in HY25 were generated in relation to cropping sales. Management expects Walnut production to commence in circa FY27. We note that cropping sales have declined over the Historical Period as the property is converted to walnut orchards.
- We understand that the Yarramundee property has approximately 600 ha of land suitable for walnut orchards with a total of 145 ha planted to date.
- Cost of sales in FY22 and 1HY25 was positive due to livestock sales being recognised within cost of sales.
- Expenses include investment and consulting fees and accounting services fees paid to Duxton Capital (circa \$267k in FY24).

- Duxton Walnuts has generated losses at the EBITDA level over the Historical Period.

## 5.6 Financial position

The table below sets out a summary of the financial position of Duxton Walnuts as at 30 June 2023, 30 June 2024 and 31 December 2024.

**Table 20 Duxton Walnuts historical financial position**

Duxton Walnuts	30-Jun-23	30-Jun-24	31-Dec-24
Financial position (\$'000)	Audited	Audited	Reviewed
<b>Current assets</b>			
Cash and cash equivalents	444	499	611
Trade and other receivables	642	77	58
Inventory	780	355	273
Other assets	259	23	35
<b>Total current assets</b>	<b>2,126</b>	<b>954</b>	<b>977</b>
<b>Non-current assets</b>			
Property, plant and equipment	17,758	19,780	21,444
Intangibles	1,290	1,290	1,290
Livestock	1,715	261	68
<b>Total non-current assets</b>	<b>20,762</b>	<b>21,331</b>	<b>22,802</b>
<b>Total assets</b>	<b>22,888</b>	<b>22,285</b>	<b>23,779</b>
<b>Current liabilities</b>			
Trade and other payables	(665)	(557)	(183)
Borrowings	(4,108)	(2,400)	(4,869)
Equipment finance	(121)	(115)	(185)
Provisions	-	(60)	(70)
<b>Total current liabilities</b>	<b>(4,895)</b>	<b>(3,132)</b>	<b>(5,307)</b>
<b>Non-current Liabilities</b>			
Deferred tax	(2,580)	(2,537)	(2,307)
Borrowings	(92)	(4,000)	(4,000)
Provisions	-	(7)	(9)
Equipment finance	(418)	(250)	(334)
<b>Total non-current liabilities</b>	<b>(3,090)</b>	<b>(6,794)</b>	<b>(6,650)</b>
<b>Total liabilities</b>	<b>(7,985)</b>	<b>(9,926)</b>	<b>(11,957)</b>
<b>Net assets</b>	<b>14,903</b>	<b>12,359</b>	<b>11,822</b>
<b>Equity</b>			
Issued capital	11,212	11,212	11,212
Reserves	5,096	4,227	4,512
Accumulated profits/losses	(1,405)	(3,080)	(3,901)
<b>Total equity</b>	<b>14,903</b>	<b>12,359</b>	<b>11,823</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Walnuts' financial position:

- Duxton Walnuts disclosed net assets of \$11.8m as at 31 December 2024.

- Property, plant and equipment includes the carrying value of property, buildings and a quarry at Yarramundee of \$15.2m as at 31 December 2024.
- Intangible assets comprise water entitlements recognised at cost less any accumulated impairment losses.
- Borrowings comprise a bank facility that expires 31 July 2025 and is subject to review each year.

## 5.7 Capital structure

The shareholders of Duxton Walnuts as at the date of this Report are set out below.

**Table 21 Duxton Walnuts' Shareholders**

Duxton Walnuts		
Shareholders	No. of shares	% shareholding
<b>Ordinary Shares</b>		
Duxton Capital (Australia) Pty Ltd	1,402,778	11.3%
<b>Total Ordinary Shares</b>	<b>1,402,778</b>	<b>11.3%</b>
<b>Preference shares</b>		
Richard Anthony Magides	2,750,000	22.1%
Kensington Trust Singapore Limited	1,900,000	15.3%
Ironica Pty Ltd	1,430,768	11.5%
Sandhurst Trustees Limited ACF Duxton Diversified Agriculture Fund	1,263,737	10.2%
Duxton Capital Investments Pty Ltd	945,242	7.6%
Grassy Meadows Pty Ltd	780,970	6.3%
Edwin Douglas Howard Michell & Elizabeth Hall Michell	500,000	4.0%
Dirk Erich Wiedmann	500,000	4.0%
Bostaurus Nominees Pty Ltd ACN 606 843 888	274,974	2.2%
Duxton Dairy Investments Pty Ltd	250,000	2.0%
BHC Consulting Pty Ltd	250,000	2.0%
EFP Nominees Pty Ltd	76,924	0.6%
Yambina Pty Ltd	55,242	0.4%
James Peter Shopov and Christopher James Shopov	25,000	0.2%
William Gavin Brennan	15,000	0.1%
<b>Total</b>	<b>12,420,635</b>	<b>100.0%</b>

Source: Duxton Walnuts

### Rights attaching to ordinary shares and preference shares

Ordinary shares entitle the holder to:

- participate in dividends
- participate in the proceeds on winding up of the company in proportion to the number of, and amounts paid on the shares held; and
- the right to attend and vote at all meetings of the company.

Preference shareholders have the right:

- in any reduction or return of capital to payment of capital in priority to ordinary shares.
- on a winding up to payment of the capital in priority to ordinary shares.
- to participate in any surplus assets or profits in the event of a winding up;
- to attend and vote at all meetings of the company;
- the right to participate in dividends.

Preference shares have no rights of redemption or conversion and preference shareholders have pre-emptive rights on the issue of new preference shares.



## 6. Profile of Duxton Dried Fruits Pty Ltd

### 6.1 Background

Duxton Dried Fruits is one of Australia's largest producers of dried grapes, with over 600 hectares under vine across two properties in the Sunraysia region - Euston (NSW) and Wemen (VIC). The business was established in 2017 following a spin-out from Duxton Vineyards Pty Ltd, which provided the initial land and capital to develop the sites.

The company was established to address a supply and demand imbalance in the Australian dried fruit market, which imports up to 20,000 tonnes of product annually. Duxton Dried Fruits cultivates eight grape varieties, with Sun Muscat comprising approximately one-third of total production. The company also holds a number proprietary varietal licenses. Full production is targeted by FY34, with a target yield of up to 9 tonnes per hectare. Duxton Dried Fruits has offtake agreements in place with Sunbeam Foods and Australian Premium Dried Fruits, the two largest processors of dried fruit in Australia, providing long term demand for the company's production.

Operations are labour-intensive, particularly for tasks such as pruning, cutting, and drying, which have limited automation potential.

### 6.2 Legal structure

Duxton Dried Fruits has a wholly owned subsidiary, Duxton Dried Fruit Growth Co Pty Limited. The financial information presented in this report in relation to Duxton Dried Fruits is prepared on a consolidated group basis.

### 6.3 Properties

**Table 22 Duxton Dried Fruits' properties**

Property	Detail	Commentary
Euston	Planted area (Ha): 389 Vacant area (Ha): 309 Total area (Ha): 698 Location: Euston, NSW Average vine age: 6 years	<ul style="list-style-type: none"> <li>Relatively far away from major population centre (Mildura).</li> <li>Young vineyard, entirely composed of greenfield plantings</li> <li>Varietal mix concentrated in sun muscat</li> <li>Access by gravel road</li> <li>Has three dwellings, worker accommodation, office, and shedding</li> <li>Irrigation infrastructure all new with Murray River frontage</li> </ul>
Wemen Farm	Planted area (Ha): 214 Vacant area (Ha): 32 Total area (Ha): 246 Location: Wemen, VIC Average vine age: 7 years	<ul style="list-style-type: none"> <li>Relatively far away from major population centre (Mildura), operationally challenging if staff are not based in Euston/Robinvale</li> <li>Young Vineyard, mix of old and new plantings</li> <li>Relatively diverse varietal mix with some newer high yield varieties</li> <li>All-year access by bitumen road</li> <li>Has four dwellings and shedding</li> <li>Irrigation infrastructure relatively new with dam on site</li> </ul>

Source: Management

### 6.4 Directors

The directors and key management of Duxton Dried Fruits are summarised in the table below.

**Table 23 Duxton Dried Fruits' directors**

Name	Title
Andrew Craig Lord	Director
Andrew James Bartlett	Director
Edouard Fernen Peter	Director
Stephen Michael Duerden	Director

Source: Duxton Dried Fruits Financial Report for Half-Year Ended 31 December 2024

## 6.5 Financial information

The auditors of Duxton Dried Fruits, Grant Thornton Audit Pty Limited, provided an unqualified opinion in relation to the financial statements as at 30 June 2024 and an unqualified review conclusion in relation to the half year financial statements as at 31 December 2024.

Whilst the financial statements are prepared on a going concern basis, the financial statements and audit/review reports relating to FY24 and 1HY25 include disclosures in relation to material uncertainty related to going concern. Duxton Dried Fruits incurred a net loss of \$902k during the half year 31 December 2024 and had a net cash outflow from operating and investing activities of \$4.6m. As at 31 December 2024, current liabilities exceed current assets by \$21.9m due to the classification of borrowings as current with the facility expiring 31 December 2025.

Subsequent to 31 December 2024, Duxton Dried Fruits raised equity of circa \$2.0m from the exercise of equity options at \$0.50 per preference share.

## 6.6 Financial performance

The following table sets out a summary of the financial performance of Duxton Dried Fruits for the financial years FY22, FY23, FY24 and 1HY25.

**Table 24 Duxton Dried Fruits' historical financial performance**

Duxton Dried Fruits Financial performance (\$'000)	FY22 Audited	FY23 Audited	FY24 Audited	1HY25 Reviewed
Sales	4,652	758	5,504	8
Cost of sales	(5,445)	(4,606)	(6,769)	-
<b>Gross profit</b>	<b>(793)</b>	<b>(3,848)</b>	<b>(1,265)</b>	<b>8</b>
<i>Gross profit margin</i>	<i>-17.0%</i>	<i>-507.7%</i>	<i>-23.0%</i>	<i>0.1%</i>
Other income	43	160	81	25
<b>Operating expenses</b>				
Overhead expenses	(870)	(1,071)	(1,244)	(317)
Other expenses	(2,906)	(1,448)	(4,168)	-
<b>Total operating expenses</b>	<b>(3,776)</b>	<b>(2,519)</b>	<b>(5,412)</b>	<b>(317)</b>
<i>OPEX as a % of sales</i>	<i>-81.2%</i>	<i>-332.3%</i>	<i>-98.3%</i>	<i>-3962.5%</i>
<b>EBITDA</b>	<b>(4,526)</b>	<b>(6,207)</b>	<b>(6,596)</b>	<b>(284)</b>
<i>EBITDA margin</i>	<i>-97.3%</i>	<i>-818.9%</i>	<i>-119.8%</i>	<i>-5.2%</i>
Depreciation and amortisation	(1,793)	(2,115)	(2,451)	-
<b>EBIT</b>	<b>(6,319)</b>	<b>(8,322)</b>	<b>(9,047)</b>	<b>(284)</b>
<i>EBIT margin</i>	<i>-135.8%</i>	<i>-1097.9%</i>	<i>-164.4%</i>	<i>-5.2%</i>
Interest income	-	-	-	-
Interest expense	(304)	(836)	(1,426)	(920)
<b>NPBT</b>	<b>(6,623)</b>	<b>(9,158)</b>	<b>(10,473)</b>	<b>(1,204)</b>
<i>NPBT margin</i>	<i>-142.4%</i>	<i>-1208.2%</i>	<i>-190.3%</i>	<i>-21.9%</i>
Income tax	1,648	2,291	2,566	302
<b>NPAT</b>	<b>(4,975)</b>	<b>(6,867)</b>	<b>(7,907)</b>	<b>(902)</b>
<i>NPAT margin</i>	<i>-106.9%</i>	<i>-905.9%</i>	<i>-143.7%</i>	<i>-16.4%</i>
Fair value gain / (loss) on revaluation of land, infrastructure and buildings net of tax	55	(1,648)	969	-
<b>Total comprehensive income for the year</b>	<b>(4,920)</b>	<b>(8,515)</b>	<b>(6,938)</b>	<b>(902)</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Dried Fruits' historical financial performance:

- Duxton Fruits is developing a dried fruit business with 603 ha of land under vine and is operating at circa 60% capacity of peak production that is expected to be reached when the vineyards mature.
- Revenue is generated from off take agreements with two key customers.

- Revenue of \$5.5m in FY24 was generated from the production of 2,199 tonnes of dried grapes.
- FY23 revenue was materially impacted by flooding and associated mildew leading to crop loss.
- The business is seasonal with the vast majority of revenue generated in the second half of the financial year.
- Expenses for 1HY25 include management fees and accounting related services paid to Duxton Capital for \$244k (FY24:\$618k)
- Duxton Fruits has generated losses over the Historical Period due to the development nature of the properties and the adverse impact of flooding in FY23. We note that other expenses in FY24 related primarily to impairment expenses in respect of the carrying value of property, plant and equipment and biological assets.

## 6.7 Financial position

The table below sets out a summary of the financial position of Duxton Dried Fruits as at 30 June 2023, 30 June 2024 and 31 December 2024.

**Table 25 Duxton Dried Fruits' historical financial position**

Duxton Dried Fruits	30-Jun-23	30-Jun-24	31-Dec-24
Financial position (\$'000)	Audited	Audited	Reviewed
<b>Current assets</b>			
Cash and cash equivalents	544	426	-
Trade and other receivables	551	3,104	82
Biological assets	-	-	3,930
Other assets	180	485	399
<b>Total current assets</b>	<b>1,275</b>	<b>4,015</b>	<b>4,411</b>
<b>Non-current assets</b>			
Property, plant and equipment	36,628	37,785	39,392
Right of use	739	415	292
Deferred tax	4,103	6,347	6,650
Other non-current assets	8	2	-
<b>Total non-current assets</b>	<b>41,478</b>	<b>44,549</b>	<b>46,334</b>
<b>Total assets</b>	<b>42,753</b>	<b>48,564</b>	<b>50,745</b>
<b>Current liabilities</b>			
Overdraft	-	-	(341)
Trade and other payables	(1,316)	(1,824)	(703)
Lease liabilities	(414)	(245)	(198)
Borrowings	(875)	(1,384)	(24,889)
Provisions	(105)	(133)	(159)
<b>Total current liabilities</b>	<b>(2,710)</b>	<b>(3,586)</b>	<b>(26,290)</b>
<b>Non-current Liabilities</b>			
Lease liabilities	(337)	(180)	(102)
Borrowings	(20,129)	(25,048)	(1,555)
Provisions	(22)	(18)	(12)
<b>Total non-current liabilities</b>	<b>(20,488)</b>	<b>(25,246)</b>	<b>(1,669)</b>
<b>Total liabilities</b>	<b>(23,198)</b>	<b>(28,832)</b>	<b>(27,959)</b>
<b>Net assets</b>	<b>19,555</b>	<b>19,732</b>	<b>22,786</b>
<b>Equity</b>			
Issued capital	33,243	40,358	44,314
Reserves	3,022	3,991	3,991
Accumulated profits/losses	(16,710)	(24,617)	(25,519)
<b>Total equity</b>	<b>19,555</b>	<b>19,732</b>	<b>22,786</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Dried Fruits' financial position:

- Duxton Dried Fruits disclosed net assets of \$22.8m as at 31 December 2024

- Property, plant and equipment includes the carrying value of land, buildings, infrastructure and vines at the Euston and Wemen properties.
- Borrowings comprise:
  - A \$24.25m facility drawn to \$23.25m as at 31 December 2024 that expires on 31 December 2025; and
  - A \$3.5m facility drawn to \$2.8m with repayment not exceeding 5 years.

## 6.8 Capital structure

The top 20 shareholders of Duxton Dried Fruits as at the date of this Report are set out below.

**Table 26 Duxton Dried Fruits' Shareholders**

Duxton Dried Fruits Pty Ltd		
Shareholders	No. of shares	% shareholding
<b>Ordinary Shares</b>		
Duxton Capital (Australia) Pty Limited	3,565,016	6.3%
<b>Total Ordinary Shares</b>	<b>3,565,016</b>	<b>6.3%</b>
<b>Preference shares</b>		
Duxton Farms Ltd	9,752,940	17.3%
Duxton Agricultural Holdings Pty Limited	5,720,009	10.1%
Friday Investments Pty Ltd	5,000,000	8.9%
Sandhurst Trustees Limited	3,785,168	6.7%
Sherbrook & Co Pty Ltd	2,750,000	4.9%
Golden Dried Fruits 2 Pty Ltd	2,514,800	4.5%
Washington H Soul Pattinson and Company Limited	2,370,300	4.2%
HLB Private Wealth Nominees (Wollongong) Pty Ltd	2,175,000	3.9%
Citicorp Nominees Pty Ltd	2,563,772	4.5%
Richard Anthony Magides	2,470,590	4.4%
Sherbrook & Co Pty Ltd	1,291,552	2.3%
Duxton Capital Investments Pty Ltd	1,243,846	2.2%
Washington H Soul Pattinson and Company Limited	1,131,149	2.0%
David Handley Nominees Pty Ltd	1,264,171	2.2%
Wolf Friedrich Bahre	1,061,818	1.9%
HLB Private Wealth Nominees (Wollongong) Pty Ltd	700,000	1.2%
Presali Australia Holdings Pty Ltd	537,800	1.0%
Adminis Custodial Nominees Limited	631,625	1.1%
David Handley Nominees Pty Ltd	435,400	0.8%
<b>Top 20 Shareholders</b>	<b>50,964,956</b>	<b>90.3%</b>
Other shareholders	5,502,785	9.7%
<b>Total</b>	<b>56,467,741</b>	<b>100.0%</b>

Source: Duxton Dried Fruits

### Rights attaching to ordinary shares and preference shares

Ordinary shares entitle the holder to:

- participate in dividends
- participate in the proceeds on winding up of the company in proportion to the number of, and amounts paid on the shares held; and
- the right to attend and vote at all meetings of the company.

Preference shareholders have the right:

- in any reduction or return of capital to payment of capital in priority to ordinary shares.
- on a winding up to payment of the capital in priority to ordinary shares.
- to participate in any surplus assets or profits in the event of a winding up;
- to attend and vote at all meetings of the company;
- the right to participate in dividends.

Preference shares have no rights of redemption or conversion and preference shareholders have pre-emptive rights on the issue of new preference shares.

## 7. Profile of Duxton Orchards Pty Ltd

### 7.1 Background

Duxton Orchards was established in 2015 and operates two apple orchards in South Australia, located in Loxton and Nangwarry. The Loxton site comprises 107 hectares of freehold land, while the Nangwarry site covers 97 hectares, held under a lease agreement until 2040 following a sale of the freehold title.

The business produces four apple varieties—Pink Lady, Granny Smith, Gala, and Fuji—with Pink Lady accounting for just over half of the planted area. In the 2023/24 season, Duxton Orchards accounted for over 20% of total apple production in South Australia, producing between 10,000 and 20,000 bins annually depending on seasonal conditions.

The business has experienced pricing pressure due to broader market dynamics, including increased production concentration in Victoria.

The orchards have access to water via Murray River entitlements at Loxton and uncapped groundwater access under the lease at Nangwarry. The Nangwarry lease underpins circa 60% of Duxton Orchards production and circa 15% of total production in South Australia.

The leased Monarto storage facility provides cold storage for circa 7,700 bins that guarantees cold storage capacity with a lower cost structure than third party providers

### 7.2 Legal structure

Duxton Orchards owns 100% of its subsidiary, Duxton Apples Pty Limited.

### 7.3 Properties

**Table 27 Duxton Orchards' properties**

Property	Detail	Commentary
Loxton Orchard	Planted area (Ha): 107 Vacant area (Ha): 18 Total area (Ha): 125 Location: Loxton, SA	<ul style="list-style-type: none"> <li>Centrally located just outside of Loxton</li> <li>Strong mix of cultivars</li> <li>93 hectares (87% of total area) is netted</li> <li>All-year access by bitumen road</li> <li>Has dwelling and shedding</li> </ul>
Nangwarry Orchard (leased)	Planted area (Ha): 97 Vacant area (Ha): 43 Total area (Ha): 140 Location: Nangwarry, SA Product mix:	<ul style="list-style-type: none"> <li>Located outside the small town of Nangwarry between relatively larger population centres of Penola and Mount Gambier</li> <li>Strong mix of cultivars</li> <li>5 hectares (5% of total area) is netted</li> <li>Access by gravel road</li> <li>Has shedding and onsite water storage</li> <li>Lease expires in 2040</li> </ul>
Monarto Storage Facility (leased)	Warehouse size: 5,157 m <sup>2</sup> Cold storage: 1,613 m <sup>2</sup> Office space: 189 m <sup>2</sup> Location: Monarto, SA	<ul style="list-style-type: none"> <li>Located outside Monarto next to several other warehouses</li> <li>Seven cold storage rooms</li> <li>All-year access by bitumen road with B-double access</li> </ul>

Source: Management

### 7.4 Directors

The directors of Duxton Orchards are summarised in the table below.

**Table 28 Duxton Orchards' directors**

Name	Title
Brett Goodin	Chairperson and Independent Director
Edouard Peter	Non-Executive Director
Stephen Duerden	Non-Executive Director

Source: Management

## 7.5 Financial information

The auditors of Duxton Orchards, Grant Thornton Audit Pty Limited, provided an unqualified opinion in relation to the financial statements for the financial year ended 31 December 2024. The audit report noted that a material uncertainty exists that may cast significant doubt on Duxton Orchards' ability to continue as a going concern.

Duxton Orchards recognised a loss of \$3.5m and had net cash outflows from operating activities of \$600k for FY24. The FY24 financial statements note that the continuation of Duxton Orchards as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of expenditure within available cash resources.

The information in the following section provides a summary of the financial performance of Duxton Orchards for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024, extracted from the audited financial statements of Duxton Orchards.



## 7.6 Financial performance

The following table sets out a summary of the financial performance of Duxton Orchards for the financial years (ended 31 December) FY22, FY23 and FY24.

**Table 29 Duxton Orchards' historical financial performance**

Duxton Orchards	FY22	FY23	FY24
Financial performance (\$'000)	Audited	Audited	Audited
Sales	6,964	11,196	6,934
Cost of sales	(8,400)	(13,160)	(8,224)
<b>Gross profit</b>	<b>(1,436)</b>	<b>(1,964)</b>	<b>(1,290)</b>
<i>Gross profit margin</i>	<i>-20.6%</i>	<i>-17.5%</i>	<i>-18.6%</i>
Other income	184	61	119
Disposal of assets	(20)	(174)	584
<b>Operating expenses</b>			
Impairment expenses	(500)	308	192
Operational expenses	(183)	(662)	(496)
Administrative expenses	(352)	(752)	(652)
<b>Total operating expenses</b>	<b>(1,035)</b>	<b>(1,106)</b>	<b>(956)</b>
<i>OPEX as a % of sales</i>	<i>-14.9%</i>	<i>-9.9%</i>	<i>-13.8%</i>
<b>EBITDA</b>	<b>(2,307)</b>	<b>(3,183)</b>	<b>(1,543)</b>
<i>EBITDA margin</i>	<i>-33.1%</i>	<i>-28.4%</i>	<i>-22.3%</i>
Depreciation and amortisation	(624)	(745)	(790)
<b>EBIT</b>	<b>(2,931)</b>	<b>(3,928)</b>	<b>(2,333)</b>
<i>EBIT margin</i>	<i>-42.1%</i>	<i>-35.1%</i>	<i>-33.6%</i>
Interest income	-	-	-
Interest expense	(293)	(751)	(1,208)
<b>NPBT</b>	<b>(3,224)</b>	<b>(4,679)</b>	<b>(3,541)</b>
<i>NPBT margin</i>	<i>-46.3%</i>	<i>-41.8%</i>	<i>-51.1%</i>
Income tax	-	-	-
<b>NPAT</b>	<b>(3,224)</b>	<b>(4,679)</b>	<b>(3,541)</b>
<i>NPAT margin</i>	<i>-46.3%</i>	<i>-41.8%</i>	<i>-51.1%</i>
Valuation uplift on revaluation of other properties	398	161	-
<b>Total comprehensive income for the year</b>	<b>(2,826)</b>	<b>(4,518)</b>	<b>(3,541)</b>

Source: Audited financial statements

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Orchards' historical financial performance:

- Duxton Orchards generates revenue primarily from apple sales and juice sales.
- We understand that revenue in FY22 and FY24 was adversely impacted by poor climatic conditions.
- Duxton Orchards sells circa 80% to 90% of products to two customers.
- The financial performance in FY24 includes a gain on sale in relation to the sales of the Monarto property.

## 7.7 Financial position

The table below sets out a summary of the financial position of Duxton Orchards as at 31 December 2022, 31 December 2023 and 31 December 2024.

**Table 30 Duxton Orchards' historical financial position**

Duxton Orchards	31-Dec-22	31-Dec-23	31-Dec-24
Financial position (\$'000)	Audited	Audited	Audited
<b>Current assets</b>			
Cash and cash equivalents	200	49	-
Trade and other receivables	80	287	6,735
Biological assets	2,683	2,107	2,005
Inventory	386	425	211
Other assets	198	334	143
Investments	29	29	29
<b>Total current assets</b>	<b>3,576</b>	<b>3,231</b>	<b>9,123</b>
<b>Non-current assets</b>			
Property, plant and equipment	14,752	15,980	10,463
Right of use	5,055	4,866	7,716
Water entitlements	250	250	250
Other non-current assets	4	4	3
<b>Total non-current assets</b>	<b>20,061</b>	<b>21,100</b>	<b>18,432</b>
<b>Total assets</b>	<b>23,637</b>	<b>24,331</b>	<b>27,555</b>
<b>Current liabilities</b>			
Trade and other payables	(1,490)	(2,274)	(3,498)
Lease liabilities	(220)	(338)	(953)
Borrowings	(5,379)	(648)	(11,565)
Overdraft	-	(19)	(72)
Provisions	(334)	(329)	-
Contracts	(49)	(150)	(776)
<b>Total current liabilities</b>	<b>(7,472)</b>	<b>(3,758)</b>	<b>(16,864)</b>
<b>Non-current Liabilities</b>			
Lease liabilities	(5,395)	(5,297)	(8,334)
Borrowings	(791)	(9,847)	(458)
Provisions	(58)	(26)	(37)
<b>Total non-current liabilities</b>	<b>(6,244)</b>	<b>(15,170)</b>	<b>(8,829)</b>
<b>Total liabilities</b>	<b>(13,716)</b>	<b>(18,928)</b>	<b>(25,693)</b>
<b>Net assets</b>	<b>9,921</b>	<b>5,403</b>	<b>1,862</b>
<b>Equity</b>			
Issued capital	18,809	18,809	18,809
Accumulated profits/losses	(9,783)	(14,462)	(17,891)
Reserves	895	1,056	944
<b>Total equity</b>	<b>9,921</b>	<b>5,403</b>	<b>1,862</b>

Source: Audited and reviewed financial statements

We note the following in relation to Duxton Orchards' financial position as at 31 December 2024:

- Duxton Orchards disclosed a net asset position of \$1.9m.
- Biological assets comprise the capitalised input costs to grow apples at the Loxton and Nangwarry properties.
- Property, plant and equipment include land and buildings in relation to the Loxton property.
- Right of use assets and liabilities relate to the leased Nangwarry Orchard and Monarto storage facility.
- Borrowings comprise equipment finance facilities and a fully drawn bank facility of \$10.4m with a termination date of 30 November 2025. The facility is secured by a first mortgage over the Loxton assets.

The balance sheet as at 31 December 2024 was prepared on a going concern basis having regard to the Directors consideration of the following options:

- the ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- obtaining additional debt funding through its financier the Commonwealth Bank of Australia;
- continued deferral of amounts due by the Company to Duxton Capital (Australia) Pty Ltd and its related parties until sufficient funds are available;
- a \$1m loan facility with Duxton Capital Investments Pty Ltd expiring in September 2025; and
- the option of selling Group real estate assets and/or the business operations.

In the event that Duxton Orchards is unsuccessful in implementing one or more of the funding options listed above, the directors consider such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements as at 31 December 2024 do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## 7.8 Capital structure

The shareholders of Duxton Orchards as at the date of this Report are set out below.

**Table 31 Duxton Orchards' Shareholders**

Duxton Orchards		
Shareholders	No. of shares	% shareholding
<b>Ordinary Shares</b>		
Duxton Capital (Australia) Pty Ltd	1,657,652	7.6%
<b>Total Ordinary Shares</b>	<b>1,657,652</b>	<b>7.6%</b>
<b>Preference Shares</b>		
Ramwines Pty Ltd	5,342,942	24.6%
Duxton Capital Investments Pty Ltd	5,225,294	24.0%
Nangwarry Pastoral Company Pty Limited	2,654,167	12.2%
Pomaceous Pty Ltd ATF Pomaceous Unit Trust	2,000,000	9.2%
Sandhurst Trustees Limited ACF Duxton Diversified Agriculture Fund	1,764,706	8.1%
Friday Investments Pty Limited	1,000,000	4.6%
Blenheim Investments Pty Ltd	1,000,000	4.6%
Wolf Friedrich Bahre	600,000	2.8%
Per Karl Martin Tonnby	294,118	1.4%
Dirk Erich Wiedmann	208,236	1.0%
<b>Total</b>	<b>21,747,115</b>	<b>100.0%</b>

Source: Duxton Orchards

### **Rights attaching to ordinary shares and preference shares**

Ordinary shares entitle the holder to:

- participate in dividends
- participate in the proceeds on winding up of the company in proportion to the number of, and amounts paid on the shares held; and
- the right to attend and vote at all meetings of the company.

Preference shareholders have the right:

- in any reduction or return of capital to payment of capital in priority to ordinary shares.
- on a winding up to payment of the capital in priority to ordinary shares.
- to participate in any surplus assets or profits in the event of a winding up;
- to attend and vote at all meetings of the company;
- the right to participate in dividends.

Preference shares have no rights of redemption or conversion and preference shareholders have pre-emptive rights on the issue of new preference shares.

## 8. Valuation Approach

### 8.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following valuation methodologies:

- the discounted cash flow (“**DCF**”) method and the estimated realisable value of any surplus and non-operating assets and liabilities;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets surplus and non-operating assets and liabilities;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

#### Market based methods

Market based methods estimate the fair value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include:

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

#### Income based methods

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings (“**CFME**”).

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

CFME is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“**FME**”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable target companies and the trading multiples of comparable listed companies. This methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax (“**NPAT**”). The earnings from any surplus and non-operating assets and liabilities are excluded from the estimate of FME and the value of such assets and liabilities is separately added/subtracted to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

#### Asset based methods

Asset based methodologies estimate the fair value of a company’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation

charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## 8.2 Valuation of relevant interests in properties

We have instructed CBRE and Knight Frank to prepare independent property valuation reports in relation to properties that DBF has a relevant interest in. For the purposes of this Report, we have relied upon the Market Value of these properties provided by CBRE and Knight Frank in our assessment of the Fair Value of DBF prior to the Proposed Transaction.

We have instructed Knight Frank to prepare independent property valuation reports in relation to properties that each of the Merger Companies holds a relevant interest in. For the purposes of this Report, we have relied upon the Market Value of these properties provided by Knight Frank in our assessment of the Fair Value of each of the Merger Companies.

In accordance with RG 111.102, to avoid the inclusion of extraneous information, and to ensure that our report is clear and concise, we have not included full copies of each of these independent valuations in the Report. However, should Shareholders require a full copy of Knight Frank or CBRE's independent valuations, these can be obtained from the Company on request, free of charge.

## 8.3 Selection of valuation methodologies

### Valuation of a DBF Share prior to the Proposed Transaction

In assessing the value of a DBF Share prior to the Proposed Transaction, we have utilised the following valuation methodologies:

- net assets on a going concern methodology (primary methodology); and
- quoted market price of listed securities ("**QMP**") (secondary methodology).

#### ***Net assets on a going concern basis***

In assessing the value of a DBF Share prior to the Proposed Transaction, we have utilised the net assets on a going concern methodology as our primary valuation methodology and relied upon the net book value of assets and liabilities set out in DBF's audited statement of financial position as at 30 June 2025, adjusted for material pro forma adjustments, as well as the assessed market value of the properties valued by CBRE and Knight Frank as set out in Appendix E.

We consider the net assets on a going concern basis to be an appropriate valuation methodology for valuing DBF due to the capital intensive nature of the Company's operations, as well as its current loss-making position.

#### ***Quoted market price of listed securities***

We have utilised the QMP methodology as a secondary methodology to our primary valuation methodology. The Company's shares are listed on the ASX which means there is a regulated and observable market for the Company's shares. However, consideration must be given to whether there is adequate liquidity and activity in order to rely on the QMP method.

Notwithstanding the low liquidity of the Company's shares (discussed in further detail in section 9.2), we have utilised the QMP methodology as a secondary methodology.

### Valuation of the Merger Companies

In assessing the Fair Value of each of the Merger Companies, we have utilised the net assets on a going concern basis as our primary valuation methodology. Each Merger Company is currently loss making and a number of the Merger Companies require significant development to reach the targeted size and scale. Accordingly, we were unable to utilise the CFME methodology based on profit. Multiples of revenue are typically not appropriate for businesses in the agriculture industry. Consequently, we consider the net assets on a going concern basis to be an appropriate valuation methodology to value each of the Merger Companies.

We have relied upon the net book value of assets and liabilities set out in each of the Merger Companies' audited or reviewed statements of financial position as at 31 December 2024, adjusted for material pro-forma adjustments, as well as the assessed Fair Value of the properties and water licences valued by Knight Frank as set out in Appendix E.

In relation to Duxton Bees we have also considered the pricing of the recent capital raising undertaken by Duxton Bees as a potential indicator of Fair Value.

### ***The use of prospective financial information***

We have been provided with forecast cash flows for DBF and each of the Merger Companies for the 9 years ending 30 June 2034. Whilst we have been provided with long term financial forecasts, RG 111 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'Forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Therefore, to be able to utilise the DCF methodology utilising prospective financial information, in accordance with the requirements of RG111, an expert must conclude that there are reasonable grounds to be able to rely on that prospective financial information.

Regulatory Guide 170 – Prospective financial information ("**RG 170**") gives detailed guidance on what is considered a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Chapters 6 and 7 of the Corporations Act, it provides useful guidance for inclusion of and use of prospective financial information in expert reports.

RG 170 states that indicative factors that may amount to reasonable grounds for stating prospective financial information include when:

- the information relates to options on forward-sales contracts or leases that lock in future expenses and revenue;
- the information is underpinned by independent industry experts' reports and/or independent accountants' reports; and
- the information includes reasonable short-term estimates (not exceeding two years).

Having regard to RG 170, given the volatility of the industries in which DBF and Merger Companies operate, and the number of assumptions inherent within the financial forecasts around future growth opportunities, we do not consider there are sufficiently reasonable grounds to rely on the financial forecasts under the requirements of RG111 and, therefore, have not been able to utilise the DCF methodology to value DBF and the Merger Companies. However, we have considered the forecast cash flows in the broader context of assessing the reasonableness of the Proposed Transaction.

## 9. Valuation of a DBF Share prior to the Proposed Transaction

We have assessed the Fair Value of DBF on a minority interest basis prior to the Proposed Transaction utilising the following methodologies:

- Net assets on a going concern basis; and
- Quoted price of listed securities.

### 9.1 Net assets on a Going Concern basis

Our assessment of the Fair Value of DBF's net assets is shown in the table below, based on the audited financial position of the Company as at 30 June 2025 and inclusive of the Fair Value of land and buildings as valued by Knight Frank and CBRE.

**Table 32 Net assets Fair Value assessment of a DBF Share - Control basis**

Duxton Farms		
Assessed Fair Value of net assets \$('000)	Notes	
<b>Net asset position as at 30 June 2025</b>		<b>98,377</b>
Uplift in water licences valuation	1	7,382
Deferred tax estimate	2	(2,215)
Reverse dividend liability	3	9,878
Special dividend - cash payment	3	(4,692)
<b>Assessed Fair Value of net assets</b>		<b>108,730</b>
Shares issued - special dividend DRP	3	4,148
Number of shares on issue as at 7 August 2025 ('000)		45,415
<b>Assessed Fair Value per DBF share (Control basis)</b>		<b>2.39</b>

Source: RSM calculations, property valuation reports and 30 June 2025 audited financial statements

1. Water licences were valued by Knight Frank and CBRE for the purposes of this Report.
2. We have estimated the deferred tax liability in relation to the valuation uplift of water licences at the corporate income tax rate of 30%.
3. DBF announced a special dividend of \$9.9m (\$0.24 per share) on 26 June 2025 which was settled by cash payments and through a dividend reinvestment plan ("DRP").



CBRE and Knight Frank have prepared valuations in relation to the Market Value of the land, water assets and certain buildings of DBF. The table below sets out summary of the assessed value of assets valued. Report summaries are set out in Appendix E.

**Table 33 Summary of assessed value of assets**

Asset	Valuer	Assessed Market Value As Is - Vacant Possession	Land	Buildings	Water	Primary methodology	Secondary Methodology
		\$'m	\$'m	\$'m	\$'m		
Walla Wallah	CBRE	20.80	12.90	0.47	7.44	Direct comparison - summation	NA
Cowaribin	CBRE	6.45	5.73	0.72	0.00	Direct comparison - summation	NA
Merriment	CBRE	6.35	4.14	0.51	1.71	Direct comparison - summation	NA
Yarranlea	CBRE	16.40	13.57	0.72	2.11	Direct comparison - summation	NA
West Plains	CBRE	23.60	17.74	1.30	4.54	Direct comparison - summation	NA
Lenborough	CBRE	4.80	4.44	0.35	0.00	Direct comparison - summation	NA
Piambie Farm	Knight Frank	19.75	18.89	0.87	*	Market approach	NA
<b>Total</b>		<b>98.15</b>	<b>77.42</b>	<b>4.94</b>	<b>15.79</b>		

Source: CBRE and Knight Frank valuation reports

\* Piambie Farm water value is included in land value

In assessing the net asset value of DBF, we have utilised the value of land and water assets as assessed by CBRE and Knight Frank. We note that these values are consistent with the Fair Value amounts disclosed in the DBF annual report as at 30 June 2025 with the exception of the Fair Value of Buildings. We have adopted the carrying value of buildings at the written down value set out in the 30 June 2025 financial statements on the basis that a number of buildings and structures were not included in the valuations prepared.

We are not aware of any other indicators that the book value of assets and liabilities of DBF as at 30 June 20225 that differ materially from their market value.

### Control Premium / discount for minority interest

As the net assets methodology assumes a 100% ownership interest and control value. As we are assessing the Fair Value of DBF on a minority interest prior to the Proposed Transaction, we are required to convert the assessed Fair Value to a minority interest value to reflect the fact that DBF Shareholders hold a minority interest in DBF.

A controlling interest of an entity usually provides the controlling party with a number of advantages including the following:

- access to potential synergies
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study"). In determining the control premium, RSM compared the Proposed Transaction price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the Proposed Transaction. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the Proposed Transaction.

**Table 34 RSM Control Premium Study**

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium - all industries	605	34.70%	29.20%	27.10%

Source: RSM Control Premium Study

The table below sets out our assessment of the value of a DBF Share on a minority interest basis utilising the net assets on a going concern basis. In determining the minority interest discount we have had regard to the average control premium data set out above and adopted the inverse of a control premium range of 25% to 30% as the minority interest discount.

**Table 35 Net assets Fair Value assessment of a DBF Share – Minority Interest basis**

Duxton Farms			
Net assets value - Minority interest \$('000)	Low	High	Mid-point
<b>Assessed net assets value (control basis)</b>	108,730	108,730	108,730
Discount for minority interest	-25.00%	-20.00%	-22.50%
<b>Assessed net asset value (MI basis)</b>	<b>81,547</b>	<b>86,984</b>	<b>84,266</b>
Shares on issue (post dividend)	45,415	45,415	45,415
<b>Assessed Fair Value per DBF Share (MI basis)</b>	<b>1.80</b>	<b>1.92</b>	<b>1.86</b>

Source: RSM Calculations

On the basis of the above, we have assessed the Fair Value of a DBF Share to be in the range of \$1.80 to \$1.92 with a mid-point of \$1.86, on a minority interest basis.

## 9.2 Quoted Price of Listed Securities Methodology

In order to provide a comparison and cross check to our valuation of a DBF Share derived using the net assets on a going concern methodology, we have considered the recent quoted market price for DBF Shares on the ASX prior to the announcement of the Proposed Transaction.

RG 111.69 indicates that for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

To provide further analysis of the quoted market prices for the Company's shares, we have considered the Volume Weighted Average Price (VWAP) for the 5, 10, 30, 60, 90, 120 and 180 calendar days, as summarised in the table below.

**Table 36 VWAP of Duxton Shares**

Calendar days	Share price Low \$	Share price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
5 days	1.350	1.410	3	35,870	50,006	1.394	0.09%
10 days	1.260	1.410	8	125,960	168,774	1.340	0.31%
30 days	1.205	1.410	21	243,870	314,771	1.291	0.59%
60 days	1.205	1.410	39	628,300	821,856	1.308	1.53%
90 days	1.205	1.410	54	4,150,890	5,407,258	1.303	10.09%
120 days	1.205	1.430	71	4,489,520	5,864,018	1.306	10.91%
180 days	1.205	1.445	105	6,541,080	8,662,812	1.324	15.89%

Source: Capital IQ and RSM analysis

As set out in the table above, the Company's shares traded between \$1.205 to \$1.445 over the 180-day period prior to 26 June 2025 and the VWAP ranged from \$1.291 to \$1.394 over the same period.

We note the following:

- during the 180 days leading up to 26 June 2025, being the date that Duxton Farms announced Proposed transaction, 15.89% of the issued capital was traded, and in the 90 days leading up to 26 June 2025, 10.09% of the issued capital was traded;
- shares were traded on 105 days in the 180-day period leading up to 26 June 2025;
- the bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of DBF averaged 2.9% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.1570%, we consider the bid/ask spread of the Company to be large; and
- the trading share price represents the value in which minority Shareholders could realise if they wanted to exit their investment.

The special dividend announced by DBF on 26 June 2025 included cash dividend payments of circa \$4.6m and the issue of circa 4.2m new DBF shares under the DRP. The table below sets out our assessment of the Fair Value of a DBF Share on a minority interest basis having regard to the above.

**Table 37 QMP Fair Value Assessment of DBF Shares**

Duxton Farms			
Assessed value of a DBF share - QMP	Low	High	Mid-point
Quoted price of listed securities	1.30	1.35	1.33
Number of shares on issue ('000)	41,157	41,157	41,157
<b>Assessed market capitalisation</b>	<b>53,506</b>	<b>55,564</b>	<b>54,535</b>
Less: cash special dividend payment	(4,692)	(4,692)	(4,692)
<b>Adjusted market capitalisation</b>	<b>48,814</b>	<b>50,872</b>	<b>49,843</b>
Number of shares on issue post special dividend DRP	45,415	45,415	45,415
<b>Adjusted quoted price of DBF share (MI basis)</b>	<b>1.08</b>	<b>1.12</b>	<b>1.10</b>

Source: RSM Calculations

Based on the recent trading the Company's shares, we have assessed the value of a DBF Share on a minority interest (non-controlling interest) basis to be \$1.30 to \$1.35 having regard for the 30 days trading prior to the announcement of the Proposed Transaction. After adjustment for the impact of the special dividend and DRP we have assessed the value of a DBF Share prior to the Proposed Transaction to be in the range of \$1.08 to \$1.12 with a mid-point of \$1.10 on a minority interest basis.

### 9.3 Valuation Summary of a DBF Share Prior to the Proposed Transaction

A summary of our assessed values of a DBF share on a minority interest basis prior to the Proposed Transaction, derived under the two valuation methodologies, is set out in the table below.

**Table 38 Fair Value Assessment of DBF Shares**

Duxton Farms			
Assessed Fair Value Summary	Low	High	Mid-point
<b>Value per DBF share (\$)</b>			
Net asset methodology (Minority Interest)	1.80	1.92	1.86
Quoted Market Price methodology (Minority Interest)	1.08	1.12	1.10
<b>Assessed Fair Value of a DBF Share (Minority Interest)</b>	<b>1.08</b>	<b>1.12</b>	<b>1.10</b>

Source: RSM Calculations

We note that the net asset on a going concern methodology results in a value per DBF Share that is 69% greater than the value per share assessed under the QMP methodology. We have adopted the Fair Value derived from the QMP methodology having regard to the following:

- notwithstanding the liquidity analysis and bid/ask spread discussion in Section 9.2 of this Report, the quoted market price represents the value that DBF Shareholders could exit their investment in DBF as at the Valuation Date;
- DBF reports the Fair Value Net Asset Value per share in its full year and half year financial reports, including the Fair Value of the water licenses. Accordingly, we consider that the market is informed in relation to the assessed Fair Value of DBF's net assets.

Therefore, in our opinion, we consider the Fair Value of a DBF Share to be between \$1.08 and \$1.12, with a preferred value of \$1.10 on a minority interest basis.

## 10. Valuation of the Merger Companies

### 10.1 Fair Value of Duxton Bees

#### Net assets on a going concern basis

The table below sets out the assessed Fair Value of Duxton Bees on a Net Assets on a going concern basis.

**Table 39 Fair Value Assessment of Duxton Bees**

Duxton Bees		
Assessed Fair Value of net assets (\$'000)	Notes	
<b>Net asset position as at 31 December 2024 (Reviewed)</b>		<b>18,996</b>
Uplift / decrement in land and building valuation	1	(110)
Est. movement in net assets to 31 May 2025	2	(2,827)
<b>Assessed Fair Value of net assets</b>		<b>16,059</b>

Source: RSM calculations, 31 Dec 2024 reviewed financial statements, property valuation report and 31 May 2025 unaudited balance sheet

We have assessed the Fair Value of Duxton Bees to be \$16.1m based on the following:

- Net assets as reported in the reviewed financial statements as at 31 December 2024 adjusted for:
  - Movements in value of land and buildings from the carrying value as at 31 December 2024 to the values assessed by Knight Frank as at 30 June 2025. Knight Frank utilised the market approach to assess the value of the land and buildings.
  - The movement in net assets over the 5 months to 31 May 2025 as disclosed in the unaudited management accounts as at 31 May 2025.

#### Recent transactions

As a cross check to the net assets on a going concern valuation methodology, we have considered the price paid for Duxton Bees preference shares in relation to the entitlement offer undertaken by Duxton Bees in late 2024. The entitlement offer raised circa \$5.5m via the issue of circa \$7.1m preference shares at an average price of \$0.778 (the offer price was \$0.80 per preference share with a discounted price of \$0.77 per preference share where a shareholder takes up an entitlement in-excess of 20% of the total entitlement shares on offer). We note that DBF purchased circa 74% of the total entitlement preference shares issued at a price of \$0.77. In addition to DBF, 9 other parties participated in the entitlement offer at \$0.80 per preference share with an average number of preference shares of 206k.

The equity value of Duxton Bees implied by the entitlement offer is set out in the table below:

**Table 40 Implied equity value of Duxton Bees**

Duxton Bees			
Recent transaction	Low	High	Mid-point
Average price per preference share (\$)	0.78	0.78	0.78
Total preference shares on issue (#)	30,282,113	30,282,113	30,282,113
<b>Implied equity value per share (Minority interest basis) (\$'000)</b>	<b>23,556</b>	<b>23,556</b>	<b>23,556</b>
Control premium	25.00%	30.00%	27.50%
<b>Implied equity value per share (Control basis) (\$'000)</b>	<b>29,445</b>	<b>30,623</b>	<b>30,034</b>

Source: RSM calculations

The average price per preference share represents a minority interest in Duxton Bees. We have applied a control premium of 25% to 30% to assess the implied equity value of a controlling interest in Duxton Bees.

In assessing the Fair Value of Duxton Bees, we have had regard to the following:

- Our primary valuation methodology (net assets on a going concern basis) results in an assessed equity value of \$16.1m
- Our secondary valuation methodology (recent transaction) results in an assessed equity value of \$30.0m at the mid-point of the valuation range.

- We consider the difference in valuation outcomes between the primary and secondary valuation methodology may be attributable to the fact that the net assets valuation methodology does not include the potential valuation upside that may result from Duxton Bees development activities in relation to the business including plans to significantly increase production of honey, vertical integration and development of sales channels. As part of the entitlement offer, shareholders were provided with information in relation to Duxton Bees, including prospective financial information and investment return targets. Duxton Bees has not generated a profitable trading performance over the historical period from FY22 to 1HY25. Given the stage of development of Duxton Bees, achievement of forecast financial results is inherently uncertain and reliant upon assumptions and subject to risks that are not capable of substantiation as at the date of this Report. Accordingly, a decision on whether to participate in the entitlement offer was subject to the assessment of each participant, including their own risk profile.
- Of a total of 45 shareholder entities, 10 shareholders participated in the entitlement offer.
- DBF's participation in the entitlement offer raised \$4m and represented circa 74% of the total amount raised. The other 9 participants represented a total of circa \$1.5m.
- We note that whilst recent transactions may provide an indicative of Fair Value under certain circumstances, we consider that reliance on the entitlement offer price is limited by the relatively low level of participation by shareholders other than DBF.

On the basis of the above, we consider the Fair Value of Duxton Bees to be \$16.1m based on the primary valuation methodology.

## 10.2 Fair Value of Duxton Walnuts

### Net assets on a going concern basis

The table below set out the assessed Fair Value of Duxton Walnuts on a Net Assets on a going concern basis.

**Table 41 Fair Value Assessment of Duxton Walnuts**

Duxton Walnuts		
Assessed Fair Value of net assets \$('000)	Notes	
<b>Net asset position as at 31 December 2024 (Reviewed)</b>		<b>11,822</b>
Uplift / decrement in land and building valuation	1	958
Uplift in water licences valuation	2	3,847
Est. movement in net assets to 31 May 2025	3	(1,200)
<b>Assessed Fair Value of net assets</b>		<b>15,427</b>

*Source: RSM calculations, 31 Dec 2024 reviewed financial statements. property valuation report and 31 May 2025 unaudited balance sheet*

We have assessed the Fair Value of Duxton Walnuts to be \$15.4m based on the following:

- Net assets as reported in the reviewed financial statements as at 31 December 2024 adjusted for:
  1. Movements in value of land and buildings from the carrying value as at 31 December 2024 to the values assessed by Knight Frank as at 30 June 2025. Knight Frank utilised the market approach to assess the value of the land and buildings.
  2. Reflect the uplift in the value of water licences as assessed by Knight Frank compared to the carrying value at cost in the reviewed financial statements as at 31 December 2025. Knight Frank utilised the market approach to assess the value of the water licences.
  3. The movement in net assets over the 5 months to 31 May 2025 as disclosed in the unaudited management accounts as at 31 May 2025.

### 10.3 Fair Value of Duxton Dried Fruits

The table below set out the assessed Fair Value of Duxton Dried Fruits on a Net Assets on a going concern basis.

**Table 42 Fair Value Assessment of Duxton Dried Fruits**

Duxton Dried Fruits		
Assessed Fair Value of net assets \$('000)	Notes	
<b>Net asset position as at 31 December 2024 (Reviewed)</b>		<b>22,786</b>
Uplift / decrement in land and building valuation	1	2,269
Est. movement in net assets to 31 May 2025	2	1,227
<b>Assessed Fair Value of net assets</b>		<b>26,282</b>

Source: RSM calculations, 31 Dec 2024 reviewed financial statements, property valuation report and 31 May 2025 unaudited balance sheet

We have assessed the Fair Value of Duxton Dried Fruits to be \$26.3m based on the following:

- Net assets as reported in the reviewed financial statements as at 31 December 2024 adjusted for:
  - Movements in value of land (inclusive of vines) and buildings from the carrying value as at 31 December 2024 to the values assessed by Knight Frank as at 30 June 2025. Knight Frank utilised the market approach to assess the value of the land and buildings.
  - The movement in net assets over the 5 months to 31 May 2025 as disclosed in the unaudited management accounts as at 31 May 2025.

### 10.4 Fair Value of Duxton Orchards

The table below set out the assessed Fair Value of Duxton Orchards on a Net Assets on a going concern basis.

**Table 43 Fair Value Assessment of Duxton Orchards**

Duxton Orchards		
Assessed Fair Value of net assets \$('000)	Notes	
<b>Net asset position as at 31 December 2024 (Audited)</b>		<b>1,862</b>
Decrease in land and building valuation	1	(1,862)
Decrease in water licences valuation	2	(29)
Est. movement in net assets to 31 May 2025	3	(1,477)
<b>Assessed Fair Value of net assets</b>		<b>(1,505)</b>
<b>Assessed Fair Value of equity</b>		<b>NIL</b>

Source: RSM calculations, property valuation reports, 31 May 2025 unaudited balance sheet

We have assessed the Fair Value of Duxton Orchards to be \$Nil based on the following:

- Net assets as reported in the audited financial statements as at 31 December 2024 adjusted for:
  - Movements in value of land and buildings from the carrying value as at 31 December 2024 to the values assessed by Knight Frank as at 30 June 2025. Knight Frank utilised the market approach to assess the value of the land and buildings.
  - Reflect the decline in the value of water licences as assessed by Knight Frank compared to the carrying value at cost in the audited financial statements as at 31 December 2025. Knight Frank utilised the market approach to assess the value of the water licences.
  - The movement in net assets over the 5 months to 31 May 2025 as disclosed in the unaudited management accounts as at 31 May 2025.

## 10.5 Fair Value of the Merger Companies on a per share basis

- Each of the Merger Companies has ordinary shares and preference shares on issue. The preference shares have right to payment of capital in priority to ordinary shares. Accordingly, the assessed Fair Value per share is calculated as follows:
  - Preference shareholders receive priority payment up to the paid up capital value of the preference shares;
  - Ordinary shareholders receive payment up to the paid up capital value of the ordinary shares;
  - Preference shareholders and ordinary shareholders receive payment of remaining consideration in proportion to their shareholdings.

The table below sets out the assessed Fair Value of preference shares and ordinary shares of each Merger Company on a per share basis.

**Table 44 Fair Value Assessment of Merger Companies on a per share basis**

Duxton Farms	Duxton	Duxton	Duxton	Duxton
Valuation of Preference and ordinary shares	Dried Fruits	Walnuts	Bees	Orchards
<b>Paid up capital (\$'000)</b>				
Preference shares	46,201	11,071	25,404	18,651
Ordinary Shares	365	140	78	158
<b>Number of shares (#'000)</b>				
Preference shares	52,903	11,018	30,282	20,089
Ordinary shares	3,565	1,403	827	1,658
<b>RSM Assessed Fair Value (\$'000)</b>	<b>26,282</b>	<b>15,427</b>	<b>16,059</b>	<b>-</b>
<b>Share class payment waterfall</b>				
<b>Return of paid up capital (\$'000)</b>				
Preference shares	26,282	11,071	16,059	-
Ordinary shares	-	140	-	-
<b>Payment amounts above paid up capital (\$'000)</b>				
Preference shares	-	3,740	-	-
Ordinary shares	-	476	-	-
<b>Assessed Fair Value by share class (\$'000)</b>				
Preference Shares	26,282	14,811	16,059	-
Ordinary Shares	-	616	-	-
Total	26,282	15,427	16,059	-
<b>RSM assessed value per share (\$)</b>				
Preference Shares	0.50	1.34	0.53	-
Ordinary Shares	-	0.44	-	-

Source: RSM Calculations



## 11. Is the Proposed Transaction Fair to the Non-Associated Shareholders?

In assessing whether we consider Resolutions 3 and 4 to be fair and reasonable to Non-Associated Shareholders, we have compared the Fair Value of the Merger Companies to be acquired by DBF with the Fair Value of the Consideration to be paid by DBF.

### EP 10.1 Merger Company Shares

The tables below set out the value of the implied consideration payable by DBF for the EP Merger Company Shares as compared to the valuation of the EP Merger Company Shares.

**Table 45 EP Merger Company Shares (100% DBF Scrip Election)**

Duxton Farms EP Merger Company Shares	Notes	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>100% DBF Scrip Election</b>							
<b>EP Merger Company Shares</b>							
<b>Preference shares (#'000)</b>							
Duxton Capital Investments		1,607	945	537	5,225		
DDAF		3,785	1,264	2,041	1,765		
Duxton Capital		72	-	-	-		
EFP Nominees		295	77	-	-		
<b>Total Preference shares (#'000)</b>	<b>1</b>	<b>5,759</b>	<b>2,286</b>	<b>2,579</b>	<b>6,990</b>		
<b>Ordinary shares (#'000)</b>							
Duxton Capital Investments	1	3,565	1,403	827	1,658		
<b>Fair Value of EP Merger Company Shares</b>							
Preference share value (\$'000)		2,879	3,063	1,367	-	7,309	7,309
Ordinary share value (\$'000)		-	616	-	-	616	616
<b>Total RSM Assessed Fair Value of EP Merger Company Shares</b>	<b>2</b>	<b>2,879</b>	<b>3,680</b>	<b>1,367</b>	<b>-</b>	<b>7,926</b>	<b>7,926</b>
DBF Shares issued for Preference shares (#'000)		4,192	3,365	2,166	280	10,003	9,723
DBF Shares issued for Ordinary shares (#'000)		-	1,048	202	-	1,250	1,250
<b>Total DBF Shares issued to EP 10.1 Parties</b>	<b>3</b>	<b>4,192</b>	<b>4,413</b>	<b>2,368</b>	<b>280</b>	<b>11,253</b>	<b>10,974</b>
<b>Comparision of Fair Value of Consideration v EP Merger Company Shares</b>							
<b>Assessed Fair Value of Consideration (\$'000)</b>	<b>4</b>	<b>4,612</b>	<b>4,855</b>	<b>2,605</b>	<b>308</b>	<b>12,379</b>	<b>12,071</b>
<b>Fair Value of EP Merger Company Shares (\$'000)</b>		<b>2,879</b>	<b>3,680</b>	<b>1,367</b>	<b>-</b>	<b>7,926</b>	<b>7,926</b>
Variance (\$'000)		1,732	1,175	1,238	308	4,453	4,145

Source: RSM analysis

Notes:

1. Preference Shares and Ordinary Shares held by EP 10.1 Parties as set out in Section 7 of the Explanatory Memorandum.
2. Represents the assessed Fair Value of the EP 10.1 Merger Company Shares having regard to the per share values as set out in Section 10 of this Report and the respective rights of preference and ordinary shareholders in relation to payments of capital.
3. Represents the number of Preference Shares and Ordinary Shares to be issued to the EP 10.1 Parties as Consideration under the terms of the SPAs and SIAs entered into between DBF and each of the Merger Companies.
4. Represents the assessed Fair Value of the Scrip Consideration payable to the EP 10.1 Parties at \$1.10 per DBF Share.

Assuming that the EP 10.1 Parties elect to receive the Consideration as 100% Scrip, the assessed Fair Value of the consideration is greater than the assessed Fair Value of the EP 10.1 Merger Company Shares.

**Table 46 EP Merger Company Shares (80% DBF Scrip Election)**

Duxton Farms EP Merger Company Shares	Notes	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>80% DBF Scrip Election</b>							
DBF Shares issued for Preference shares (#'000)		3,354	2,692	1,733	224	8,002	7,779
DBF Shares issued for Ordinary shares (#'000)		-	1,048	202	-	1,250	1,250
<b>Total DBF shares issued (#'000)</b>	<b>1</b>	<b>3,354</b>	<b>3,740</b>	<b>1,935</b>	<b>224</b>	<b>9,253</b>	<b>9,029</b>
<b>Comparison of Fair Value of Consideration v EP Merger Company Shares</b>							
Assessed Fair Value of Scrip Consideration ('\$000)	2	3,689	4,114	2,128	246	10,178	9,932
Cash consideration ('\$000)	3	1,048	841	541	70	2,501	2,431
<b>Total Fair Value of Consideration (\$'000)</b>		<b>4,737</b>	<b>4,956</b>	<b>2,670</b>	<b>316</b>	<b>12,679</b>	<b>12,363</b>
<b>Fair value of EP Merger Company Shares (\$'000)</b>		<b>2,879</b>	<b>3,680</b>	<b>1,367</b>	<b>-</b>	<b>7,926</b>	<b>7,926</b>
Variance ('\$000)		1,858	1,276	1,303	316	4,753	4,437

Source: RSM analysis

Notes:

1. Assumes that all EP 10.1 Parties elect to receive 80% of the Consideration in Scrip and 20% in cash.
2. Represents the assessed Fair Value of the Scrip Consideration payable to the EP 10.1 Parties at \$1.10 per DBF Share.
3. Represents the cash consideration payable to EP10.1 Parties calculated in accordance with the terms set out in the SIAs between DBF and the Merger Companies.

Assuming that the EP 10.1 Parties elect to receive the Consideration as 80% Scrip and 20% cash, the assessed Fair Value of the consideration is greater than the assessed Fair Value of the EP 10.1 Merger Company Shares.

### RM Merger Company Shares

The tables below set out the value of the implied consideration payable by DBF for the RM Merger Company Shares as compared to the valuation of the RM Merger Company Shares.

**Table 47 RM Merger Company Shares (100% DBF Scrip Election)**

Duxton Farms RM Merger Company Shares	Notes	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>100% DBF Scrip Election</b>							
Preference shares (#)	1	2,471	2,750	2,444	5,343		
Preference Share Value (\$)	2	1,235	3,685	1,296	-		
DBF Shares issued for Preference shares (#)	3	1,799	4,048	2,053	214	8,114	7,900
<b>Comparison of Fair Value of Consideration v RM Merger Company Shares</b>							
<b>Assessed Fair Value of Consideration (\$'000)</b>	<b>4</b>	<b>1,978</b>	<b>4,453</b>	<b>2,259</b>	<b>235</b>	<b>8,925</b>	<b>8,690</b>
Fair Value of RM Merger Company Shares		1,235	3,685	1,296	-	6,216	6,216
Variance		743	768	963	235	2,709	2,474

Source: RSM analysis

Notes:

1. Preference Shares held by Richard Magides as set out in Section 7 of the Explanatory Memorandum.
2. Represents the assessed Fair Value of the RM Merger Company Shares having regard for the per share values as set out in Section 10 of this Report and the respective rights of preference and ordinary shareholders in relation to payments of capital.
3. Represents the number of Preference Shares and Ordinary Shares to be issued to the Richard Magides as Consideration under the terms of the SPAs and SIAs entered into between DBF and each of the Merger Companies.
4. Represents the assessed Fair Value of the Scrip Consideration payable to Richard Magides at \$1.10 per DBF Share.

Assuming that Richard Magides elects to receive the Consideration as 100% Scrip, the assessed Fair Value of the consideration is greater than the assessed Fair Value of the RM Merger Company Shares.

**Table 48 RM 10.1 Merger Company Shares (80% DBF Scrip Election)**

Duxton Farms RM Merger Company Shares	Notes	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>80% DBF Scrip Election</b>							
BDF Shares issued for Preference shares (#)	1	1,439	3,238	1,643	171	6,491	6,320
<b>Comparison of Fair Value of Consideration v RM Merger Company Shares</b>							
Assessed Fair Value of Scrip Consideration ('\$000)	2	1,583	3,562	1,807	188	7,140	6,952
Cash Consideration	3	450	1,012	513	53	2,028	1,975
<b>Total Fair Value of Consideration (\$'000)</b>		<b>2,032</b>	<b>4,574</b>	<b>2,320</b>	<b>242</b>	<b>9,168</b>	<b>8,927</b>
Fair Value of Merger Company Shares		1,235	3,685	1,296	-	6,216	6,216
Variance		797	889	1,025	242	2,953	2,711

Source: RSM analysis

Notes:

1. Assumes that Richard Magides elects to receive 80% of the Consideration in Scrip and 20% in cash.
2. Represents the assessed Fair Value of the Scrip Consideration payable to Richard Magides at \$1.10 per DBF Share.
3. Represents the cash consideration payable to Richard Magides calculated in accordance with the terms set out in the SIAs between DBF and the Merger Companies.

Assuming that Richard Magides elects to receive the Consideration as 80% Scrip and 20% cash, the assessed Fair Value of the consideration is greater than the assessed Fair Value of the RM Merger Company Shares.

## Summary of conclusion

The table on the following page sets out a summary of the Fairness conclusion noting the following:

- We have utilised the QMP methodology to determine the Fair Value of DBF (and also considered the net assets on a going concern methodology). We have utilised the net assets on a going concern methodology in relation to the Merger Companies. Whilst long term financial forecasts in relation the Merger Companies are available, RG 111 states than an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'Forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. Therefore, to be able to utilise the DCF methodology utilising prospective financial information, in accordance with the requirements of RG111, an expert must conclude that there are reasonable grounds to be able to rely on that prospective financial information. RG 170 gives detailed guidance on what is considered a reasonable basis for stating prospective financial information. Having regard to RG 170, given the volatility of the industries in which DBF and Merger Companies operate, and the number of assumptions inherent within the financial forecasts around future growth opportunities, we do not consider there are sufficiently reasonable grounds to rely on the financial forecasts under the requirements of RG111 and, therefore, have not been able to utilise the DCF methodology to value DBF and the Merger Companies. However, we have considered the forecast cash flows in the broader context of assessing the reasonableness of the Proposed Transaction.
- The Fair Value of the Merger Companies has been assessed based on the net assets on a going concern methodology. The independent valuations of land, buildings and water assets prepared by Knight Frank do not specify a valuation range. Consequently, our assessed Fair Value of the Merger Companies' equity set out below does not include a valuation range.
- Having regard to the fact that we utilised the net assets on a going concern methodology to value the Merger Companies, and have not been able to utilise the DCF methodology, there may be qualitative value factors that are inherently not incorporated within the assessed Fair Value of the Merger Companies. These qualitative factors may include:

### Duxton Bees

- The acquisition of circa 5,000 hives across three transactions in 2024 and 2025 provides Duxton Bees with over 8,000 productive hives with 680 nucleus hives to support ongoing colony growth and queen bee production. We understand that the Fair Value of biological assets on the balance sheet only includes queen bees and excludes the value of the bees in each hive.
- Duxton Bees purchases bee hives and bee colonies and licenses them to government apiary sites. Duxton Bees has licenses with approximately 560 government apiary sites. The potential value of these licenses is not included

in the Fair Value derived under the net assets on a going concern methodology. However, the licenses facilitate revenue generation for Duxton Bees by either deploying and managing its own beehives directly on these licensed sites or leasing the licences to third party bee keepers within the industry for seasonal use. When leased to third parties for seasonal use, Duxton Bees may also provide value added services including the purchase of honey produced on site and the supply of disease management products.

- Duxton Bees is vertically integrated, with operations spanning production, processing and distribution. We understand that Duxon Bees has recently entered into a joint venture agreement in relation to a honey bottling plant, which Management expect to provide operational efficiencies and further drive vertical integration.
- Duxton Bees is in the process of transitioning its product mix toward higher-margin branded honey under the Fuzzy Bum label, which it aims to launch in Coles supermarkets by late 2025. Management expects annual honey production to reach 650 tonnes in FY26 with operational maturity reached by FY29.
- The company generates pollination revenue under contracts with a number of large almond growers in Australia. Further services revenue is generated under contracts for other services such as beehive brokerage and beehive auditing.
- Duxton Bees holds an exclusive distribution agreement to distribute Oxalierine, an oxalic acid treatment for the Varroa Mite, throughout Australia. Pending regulatory approval for the product in Australia, Management expect to distribute the product on a national basis.

#### Duxton Walnuts

- Whilst the Duxton Walnuts' water entitlements are included at market value as part of the net assets on a going concern basis, as assessed by Knight Frank, Management consider the ground water access entitlement provides an operational advantage to the business as a high security water source with spearpoint access.
- Duxton Walnuts commenced its transition from a dairy business to a walnut plantation in 2023. Accordingly, the orchards are either recently planted or under development. In assessing the market value of the orchards at the Yarramudee property, Knight Frank had regard to, inter alia, the age of plantings (including that the orchard is yet to produce a commercial crop). To the extent that Duxton Walnuts is able to execute on its strategy there may be an uplift in the valuation of the orchards as the orchards mature.

#### Duxton Dried Fruits

- Duxton Dried Fruits holds offtake agreements with Sunbeam Foods and Australian Premium Dried Fruits, the two largest processors of dried fruit in Australia. Notwithstanding that Duxton Dried Fruits has generated operating losses over recent financial years, Management expects the secure demand and commercial terms afforded by the offtake agreements to generate increased economic benefits as the business progresses to full production.
- The company holds proprietary varietal licenses for varietals that provide operational benefits through earlier harvesting.
- The vineyards comprise plantings from 2018 to 2024. In assessing the market value of the vineyards, Knight Frank had regard to, inter alia, the age of plantings and historical production levels. To the extent that Duxton Dried Fruits is able to execute on its strategy there may be an uplift in the valuation of the vineyards as the vineyards mature.

#### Duxton Orchards

- Duxton Orchards holds a long term lease over the Nangwarry property which underpins 60% of production and circa 15% of production in South Australia. We understand that the Nangwarry property benefits from unlimited water supply.
- The leased Monarto storage facility provides cold storage for circa 7,700 bins that guarantees cold storage capacity with a lower cost structure than third party providers.
- Notwithstanding the historical operating losses generated by Duxton Orchards, Management consider that the leased properties described above generate operational and economic benefits. Any future value of these benefits is not captured under the net assets on a going concern methodology.

**Table 49 Fairness Conclusion**

Duxton Farms Fairness conclusion summary (\$'000)	Duxton Dried Fruits	Duxton Walnuts	Duxton Bees	Duxton Orchards	Total Inc. Duxton Orchards	Total Ex Duxton Orchards
<b>Resolution 3 Approval to acquire a substantial asset from the EP 10.1 Entities</b>						
<b>100% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	4,612	4,855	2,605	308	12,379	12,071
Assessed Fair Value of the EP Merger Company Shares	2,879	3,680	1,367	-	7,926	7,926
<b>Variance</b>	<b>1,732</b>	<b>1,175</b>	<b>1,238</b>	<b>308</b>	<b>4,453</b>	<b>4,145</b>
<b>80% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	4,737	4,956	2,670	316	12,679	12,363
Assessed Fair Value of the EP Merger Company Shares	2,879	3,680	1,367	-	7,926	7,926
<b>Variance</b>	<b>1,858</b>	<b>1,276</b>	<b>1,303</b>	<b>316</b>	<b>4,753</b>	<b>4,437</b>
<b>Resolution 4 Approval to acquire a substantial asset from Richard Magides</b>						
<b>100% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	1,978	4,453	2,259	235	8,925	8,690
Assessed Fair Value of the RM Merger Company Shares	1,235	3,685	1,296	-	6,216	6,216
<b>Variance</b>	<b>743</b>	<b>768</b>	<b>963</b>	<b>235</b>	<b>2,709</b>	<b>2,474</b>
<b>80% DBF Scrip Election</b>						
Assessed Fair Value of Consideration	2,032	4,574	2,320	242	9,168	8,927
Assessed Fair Value of the RM Merger Company Shares	1,235	3,685	1,296	-	6,216	6,216
<b>Variance</b>	<b>797</b>	<b>889</b>	<b>1,025</b>	<b>242</b>	<b>2,953</b>	<b>2,711</b>

Source: RSM Calculations

<sup>1</sup> Fair Value of Consideration is calculated as the number of DBF Shares to be issued at the assessed Fair Value per share of \$1.10

## Resolutions 3 and 4

We consider that acquisition of the EP Merger Company Shares and RM Merger Company Shares by DBF is **Not Fair** to Non-Associated Shareholders on the basis that the Fair Value of the Consideration to be paid by DBF exceeds the Fair Value of the EP Merger Company Shares and RM Merger Company Shares.

We note that Resolutions 3 and 4 are assessed as **Not Fair** to Non-Associated Shareholders regardless of the Scrip elections made by EP 10.1 Entities and Richard Magides.

We further note that Resolutions 3 and 4 are assessed as **Not Fair** to Non-Associated Shareholders whether the acquisition of Duxton Orchards shares is included or excluded in the Proposed Transaction.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with ASX Listing Rule 10.1, we consider Resolutions 3 and 4 to be **Not Fair** to the Non-Associated Shareholders.

## 12. Is the Proposed Transaction Reasonable to Non-Associated Shareholders?

RG111 establishes that an offer is reasonable if it is fair. If a Proposed Transaction is not fair it may still be reasonable after considering the specific circumstances applicable to the Proposed Transaction. In our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- the future prospects of the Company if the Proposed Transaction does not proceed;
- other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Proposed Transaction proceeding;
- the response of the market to the Proposed Transaction; and
- alternative proposals to the Proposed Transaction.

### 12.1 Future Prospects of DBF if the Proposed Transaction does not proceed

If the Proposed Transaction does not proceed, DBF will continue to manage its current portfolio and the Board of Directors will reassess DBF's strategic direction to diversify its portfolio as the Board considers that the current portfolio of farming and water assets is geographically concentrated with a large exposure to grain, cotton and livestock pricing and is currently forecast to incur negative operating cash flows in the short to medium term until the development projects reach operational maturity.

### 12.2 Advantages and Disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

The key advantages and disadvantages of the Proposed Transaction are outlined below.

### 12.3 Advantages of the Proposed Transaction

The key advantages of the Proposed Transaction are:

**Table 50 Advantages of the Proposed Transaction**

Advantage	Details
Diversification of business	<p>The acquisition of the Merger Companies provides greater geographical and commodity diversification into horticulture, viticulture and apiary assets and reduces overall risk with regards to geographic and commodity market exposure.</p> <p>The Merger Companies also represent a mix of maturing and greenfield projects, with maturing operating assets (Dried Fruits) expected to drive cash generation and early stage growth opportunities (Duxton Bees and Duxton Walnuts) providing a growth platform in the next decade.</p>
Streamlined management	<p>The acquisition of the Merger Companies enables DBF to bring existing management expertise in-house in order to create synergies and streamline operations for DBF Shareholders.</p>
Higher cash generation potential than broadacre farming assets	<p>The Directors consider that the operations of the Merger Companies offer higher cash generation potential in the mid to long term than the broadacre farming assets as the prices of commodities produced under the current portfolio have remained relatively flat.</p> <p>We have utilised the net assets on a going concern methodology as our primary methodology and have also relied on the property valuations prepared by Knight Frank for the assessed market values of the relevant interests in properties in our assessment of the Fair Value of the Merger Companies.</p> <p>The terms of the Merger include consideration based on assumptions in relation to the future long term cash flows of the Merger Companies, including potential upside to the value of net assets (as well as currently priced by the Company's traded share price). Due to the volatility of the industries in which DBF and the Merger Companies operate, and the number of long-term assumptions inherent within the financial forecasts around future growth opportunities, we have not utilised the DCF methodology as a valuation methodology. Nonetheless, if the value ascribed under a DCF methodology is achieved using these assumptions for the future long term cash flows of the Merger Companies, DBF shareholders may benefit from any future value realisation by the Company.</p>



Potential increased liquidity for DBF Shareholders	Notwithstanding the Company's historical low liquidity of traded shares, the acquisition of the Merger Companies may result in a more liquid market for DBF Shareholders to crystallise the value of their shares.
--	--

Source: RSM analysis

## 12.4 Disadvantages of the Proposed Transaction

The key disadvantages of the Proposed Transaction are:

**Table 51 Disadvantages of the Proposed Transaction**

Disadvantage	Details
Resolutions 3 and 4 are not fair	As set out in Section 11, Resolutions 3 and 4 are not fair.
Dilution of Non-Associated Shareholders	<p>If the Proposed Transaction is approved, the Merger Company Shareholders will be issued c. 55.6m shares in Duxton Farms which is expected to represent c. 53.4% of the Duxton Farms Shares on issue following implementation of the Merger (assuming consideration comprises 80% scrip and 20% cash where all preference shareholders in the Merger Companies elect to receive 20% of their consideration in cash, all four Merger Companies are acquired, and including the Placement).</p> <p>If the consideration comprises 100% scrip, the Merger Shareholders will be issued c. 69.2m Duxton Farm Shares which is expected to represent c. 58.5% of the Shares on issue following implementation of the Merger (assuming all Merger Companies are acquired).</p> <p>Richard Magides' relevant interests (including associated entities) will reduce from 35.9% at the date of this Report to 23.7% (80% scrip scenario) or to 22.4% (100% scrip).</p> <p>Ed Peter's relevant interests (including associated entities) will reduce from 23.4% at the date of this Report to 14.5% (80% scrip scenario) or to 13.4% (100% scrip).</p> <p>Existing Non-Associated Shareholders' interests will fall from 40.7% at the date of this Report to 17.7% (80% scrip scenario) or 15.6% (100% scrip scenario), assuming all Merger Companies are acquired.</p> <p>Dilution of existing Shareholders' interests reduces the ability of existing shareholders to influence the strategic direction of the Company, including acceptance or rejection of takeover or merger proposals.</p>
Potential significant upfront cash costs and no guarantee of higher cash generation potential in the short to medium term	<p>Net proceeds of the Placement (along with cash at hand and existing facilities) will be used to fund the cash component of the Proposed Transaction payable to Merger Company Shareholders including the EP 10.1 Entities (to the extent the entities make a valid election to receive cash).</p> <p>Assuming Merger Company Shareholders make a valid election to receive the full 20% of consideration payable in cash, cash proceeds would total up to approximately \$17.0m, with c. \$13m to be funded by the Company's existing cash reserves, representing a significant proportion of the \$22.0m cash balance disclosed at 30 June 2025 (net of bank overdraft facility).</p> <p>As set out in the advantages above, if the value of the Merger Companies ascribed under a DCF methodology is achieved, DBF shareholders may benefit from any future value realisation by the Company.</p> <p>However, due to the longer term growth potential of the Merger Companies and the inherent uncertainty on predicting adverse weather and climatic events and other unforeseen circumstances (e.g., disease outbreaks and commodity prices volatility), there is no guarantee that DBF shareholders will benefit in any potential upside value realisation in the medium to long term.</p>
Change in investment profile and scale of operations	<p>Acceptance of the Proposed Transaction may result in disadvantages to those who wish to maintain their current investment profile. DBF Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of DBF and may incur transaction costs in undertaking a new investment.</p>
The Proposed Transaction commits the Company to developing and funding an additional portfolio of agricultural assets	<p>Approval of the Proposed Transaction will result in the acquisition of either Duxton Bees, Duxton Walnuts, Duxton Dried Fruits and Duxton Orchards (all inclusive) or three Merger Companies comprising Duxton Bees, Duxton Walnuts and Duxton Dried Fruits. All the Merger Companies disclosed losses at the EBITDA level for the historical period under review and are loss making at the date of this Report.</p> <p>Duxton Walnuts is currently transitioning its operations from broadacre cropping and leasing to walnut production, with production expected to commence in FY27, with full plantation maturity targeted by 2032.</p> <p>There are significant risks that should the operations of the Merger Companies not achieve targeted production milestones and not be as profitable as forecast in the short to medium term, the Company will be required to raise further capital or divest other portfolio assets to fund operations.</p>

Loss of potential superior proposal

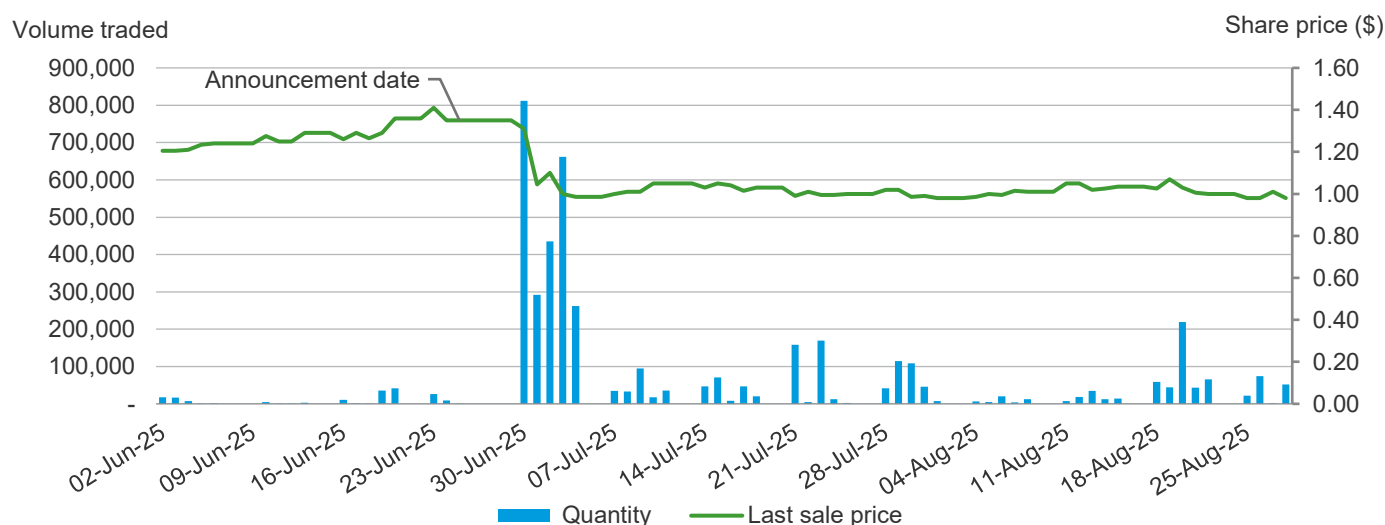
Notwithstanding the impediment arising from Ed Peter's and Richard Magides' significant shareholdings in DBF, it is possible that a superior proposal which is more attractive for Non-Associated Shareholders than the Proposed Transaction, may be made in the future. We are not aware of any superior proposal as at the date of this Report.

Source: RSM Analysis



## 12.5 Response of the market to the Proposed Transaction

Figure 2 DBF share price and volumes traded pre and post announcement



Source: S&P Capital IQ

The share price closed at \$1.35 on 25 June 2025, the last day shares were traded prior to the announcement of the Proposed Transaction and in the subsequent period has traded in the range of \$0.98 to \$1.35.

The table below sets out the VWAP of DBF's shares from 30 June 2025 to 28 August 2025 (being the dates shares first traded post announcement to the last practical date shares were traded to the date of this Report).

Table 52 VWAP post announcement

	Share price Low \$	Share price High \$	No. of days traded	Volume traded	Value traded \$	VWAP \$	Percentage of issued capital %
<i>Calendar days prior to 26 June 2025</i>							
5 days	1.350	1.410	3	35,870	50,006	1.39	0.09%
10 days	1.260	1.410	8	125,960	168,774	1.34	0.31%
30 days	1.205	1.410	21	243,870	314,771	1.29	0.59%
60 days	1.205	1.410	39	628,300	821,856	1.31	1.53%
90 days	1.205	1.410	54	4,150,890	5,407,258	1.30	10.09%
<i>Calendar days from 26 June 2025</i>							
64 days	0.980	1.350	44	4,253,310	4,577,865	1.08	9.89%

Source: S&P Capital IQ and RSM analysis

The VWAP for the Company's shares for the period after the announcement to the date of this Report was \$1.08, which was c. 22.3% and 19.4% lower than the 5- and 10-day VWAP prior to the announcement of \$1.39 and \$1.34, respectively, and 17.6% lower than the 60-day VWAP of \$1.31 prior to the announcement.

Notwithstanding the low liquidity of the Company's traded shares (noting that Richard Magides and Ed Peter collectively hold c. 52% of the issued shares in DBF) and having regard to the fact that the share price may have been negatively impacted by the special dividend also announced on 26 June 2025, we consider that the market has reacted neutrally to the announcement of the Proposed Transaction.

## 12.6 Alternative proposals

We are not aware of alternative proposals which may provide a greater benefit to Non-Associated Shareholders at the date of this Report.

## 12.7 Conclusion on Reasonableness

In our opinion, the position of Non-Associated Shareholders if Resolutions 3 and 4 are approved is more advantageous than if not approved. Therefore, in the absence of any other relevant information and/or a superior proposal we consider the Proposed Transaction (comprising the approvals being sought under Resolutions 3 and 4 is **Reasonable** for Non-Associated Shareholders.

In forming this opinion we have considered that, whilst we have assessed the transaction as not fair, our assessment of Fair Value of the EP Merger Company Shares and the RM Merger Company Shares has been primarily based on the net assets on a going concern methodology. Having had consideration of ASIC Regulatory Guide RG111 – Content of experts and ASIC Regulatory Guide 170 Prospective we have not had reasonable grounds to rely on Duxton Farm Management's long term forecasts for each of the Merger Companies as set out in more detail in Sections 4 to 7 of the IER and have, therefore, not adopted a DCF valuation methodology.

Therefore, our assessment of Fairness has not incorporated any potential upside in Fair Value above Net Tangible Assets that may arise as a result of the forecast growth and expansion plans for each Merger Company as set out within Duxton Farms Management's long term forecasts (noting that there are execution and other risks involved in the realisation of this value through the planned growth and expansion of each entity's operations) together with the various qualitative factors outlined in section 11 of the Report

We also note that there is some supporting evidence for the consideration being paid for the shares in Duxton Bees from a recent entitlement offer as set out in Section 10.1, albeit we have not utilised this transaction as our primary methodology on the basis that 74% of the entitlement offer investment was made by DBF.

Having regard to the above, we consider that the acquisition of portfolio assets with high growth potential for primarily equity consideration, together with the diversification of business activities and risk that the acquisitions provide gives rise to greater advantages to Non-Associated Shareholders than the disadvantages outlined above.

We note that realisation of the uplift in value from the growth and expansion of each of the Merger Companies will be highly reliant on the successful implementation of the growth and expansion plans by Duxton Farms and its Investment Manager.

To the extent that Non-Associated Shareholders do not consider that Duxton Farms and/or its Investment Manager will be able to successfully implement these strategies or to the extent that Non-Associated Shareholders have a lower risk appetite and do not wish to take on the execution and other risks related to the investments in the Merger Companies, Non-Associated Shareholders may form the view that the Proposed Transaction is not reasonable.

An individual shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

# Appendices

## A. Declarations and Disclaimers

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew and Nadine are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of DBF in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

### Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of DBF and management of Duxton Capital (Australia) Pty Limited, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of \$140,000 (excluding goods and services tax (“GST”)) based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether DBF receives Shareholder approval for the Proposed Transaction.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the NoM to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the NoM or the Explanatory Memorandum included therein. Accordingly, we take no responsibility for the content of the NoM or Explanatory Memorandum.

## B. Sources of Information

In preparing the Report, we have relied upon the following principal sources of information:

- Notice of Meeting and Explanatory Memorandum;
- Executed SPAs and Scheme Documents in relation to DBF and each of the Merger Companies;
- Audited financial statements for DBF for FY22 through to FY25;
- Audited financial statements for Duxton Bees, Duxton Walnuts and Duxton Dried Fruits for FY22 through to FY24 and reviewed half year financial statements for the 6 months ended 31 December 2024;
- Audited financial statements for Duxton Orchards for FY22 through to FY24 (calendar year end);
- ASX announcements of DBF;
- Independent property valuations as summarised in Appendix E, prepared by CBRE and Knight Frank.
- Shareholding registers for DBF and each of the Merger Companies.
- Company Constitutions in relation to each of the Merger Companies.
- S&P Capital IQ database;
- IBISWorld; and
- Information provided to us throughout correspondence with the Directors and Management of DBF and the Merger Companies.

## C. Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
\$ or AUD	Australian dollar
1HYFY25	Half-year ended 31 December 2024
Act or Corporations Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the Australian Stock Exchange amended from time to time
CBRE	CBRE Valuations Pty Limited
CFME	Capitalisation of future maintainable earnings
CGT	Capital gains tax
Controlling Interest Basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held.
DDAF	Duxton Diversified Agricultural Fund
DCF	Discounted Cash Flow
DBF, Duxton Farms or the Company	Duxton Farms Limited
Duxton Bees	Duxton Bees Pty Limited (ACN 635 272 070)
Duxton Capital	Duxton Capital (Australia) Pty Limited
Duxton Capital Investments	Duxton Capital Investments Pty Ltd (ACN 637 749 921)
DBF Share	A fully paid ordinary share in the capital of Duxton Farms
DRP	Dividend Reinvestment Plan
Duxton Walnuts	Duxton Dairies (Cobram) Pty Limited (ACN 602 459 638)
Duxton Dried Fruits	Duxton Dried Fruits Pty Limited (ACN 620 930 154)
Duxton Orchards	Duxton Orchards Pty Limited (ACN 616 154 379)
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
EP 10.1 Parties or EP 10.1 Entities	Include EFP Nominees, Duxton Capital Investments, Duxton capital and DDAF,
EP Merger Company Shares	Shares in the capital of a Merger Company held by the EP 10.1 Entities
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the Enterprise Value.
FME	Future Maintainable Earnings

Forward-looking information	Prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters.
FSG	Financial Services Guide
FY22	Financial year ended 30 June 2022 (for Duxton Orchards – the financial year ended 31 December 2022)
FY23	Financial year ended 30 June 2023 (for Duxton Orchards – the financial year ended 31 December 2023)
FY24	Financial year ended 30 June 2024 (for Duxton Orchards – the financial year ended 31 December 2024)
FY25	Financial year ended 30 June 2025 (for Duxton Orchards – the financial year ended 31 December 2025)
GST	Goods and services tax
Historical Period, the	FY22, FY23, FY24 and FY25
k	Thousands
Knight Frank	Knight Frank Valuation & Advisory South Australia
m	Millions
Management, or Mgmt.	The management of DBF or Duxton Capital (Australia) Pty Limited
Market Value or Fair Value or Fair Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length.
Merger Companies	Duxton Dried Fruits, Duxton Dairies (Cobram) Pty Limited, Duxton Bees Pty Limited and Duxton Orchards Pty Limited.
Merger Company Shareholders	Ordinary or preference shareholders in the Merger Companies
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Non-Associated Shareholders or Shareholders	DBF shareholders whose votes in favour of the Resolutions 3, 4 or 5 are not to be disregarded under Listing Rule 14.11
Notice or NoM	Notice of General Meeting and Explanatory Statement
NPAT	Net profit after tax
Placement	The proposed issue of shares to raise \$4m (before costs) under the placement announced by DBF on 26 June 2025
Proposed Transaction or Merger	The proposal by DBF to acquire the Merger Companies
QMP	Quoted market price of listed securities
Report, or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
Resolution	The resolutions set out in the NoM
RG 76	ASIC Regulatory Guide 76 Related party transactions
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 170	ASIC Regulatory Guide 170 Prospective financial information
RG 112	ASIC Regulatory Guide 112 Independence of experts
RM 10.1 Acquisition	The acquisition of a substantial asset from Richard Magides as described in Resolution

RM Merger Companies Shares	Shares in the capital of a Merger Company held by Richard Magides
RSM Control Premium Study	RSM study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020
RSM, we, us or our	RSM Corporate Australia Pty Ltd
Scheme(s)	The Schemes of Arrangement to give effect to DBF acquiring all the shares in the Merger Companies that it does not already own
SIAs	The Scheme Implementation Agreements entered into between DBF and the Merger Companies in relation to the sale and purchase of preference shares
SPAs	The Share Purchase Agreements entered into between DBF and the Merger Companies in relation to the sale and purchase of ordinary shares
Successful Combination of Entities	The combination of Duxton Dried Fruits, Duxton Walnuts, Duxton Bees and Duxton Orchards or Duxton Dried Fruits, Duxton Walnuts and Duxton Bees
VWAP	Volume Weighted Average Price



## D. Industry Overview

### Apple, Pear and Stone Fruit Growing in Australia

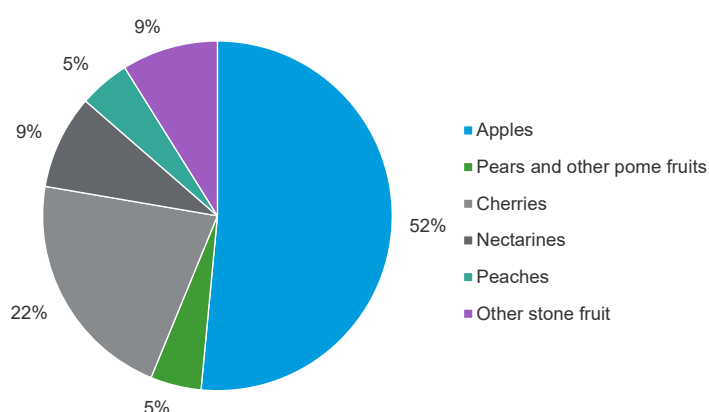
Duxton Farms operates fruit growing services. The following information has been extracted from IBISWorld industry report *A0130 Apple, Pear and Stone Fruit Growing in Australia* dated May 2025. IBISWorld states that industry producers cultivate and harvest both pome and stone fruits. Pome fruits have seed chambers surrounded by fleshy outer layers, while stone fruits are fleshy with a hard pit encasing the seed.

#### Overview

The industry is highly sensitive to weather variations, with fluctuating rainfall and temperatures significantly affecting yields. Between 2019–20 and 2021–22, La Niña conditions brought mixed outcomes—boosting yields for some growers while causing flood damage for others. The industry includes around 400 commercial apple and pear growers across Australia. At the same time, major supermarkets such as Coles and Woolworths have increasingly bypassed wholesalers, sourcing produce directly from farms to gain greater control over pricing and supply chains, while catering to consumer demand for fresher, healthier fruit. Industry revenue is forecast to grow at an annualised 1.3% through 2024–25, reaching \$1.49 billion, including a 0.2% rise in the current year.

Despite some easing, growers continue to face challenges from rising input costs driven by global disruptions such as the Russia-Ukraine conflict, which has pushed fertiliser prices higher. Coupled with increasing retail prices for apples, pears, and stone fruits, these pressures have strained consumer spending and squeezed profitability, particularly for smaller growers with less negotiating power. This difficult environment has contributed to a steady decline in industry enterprises.

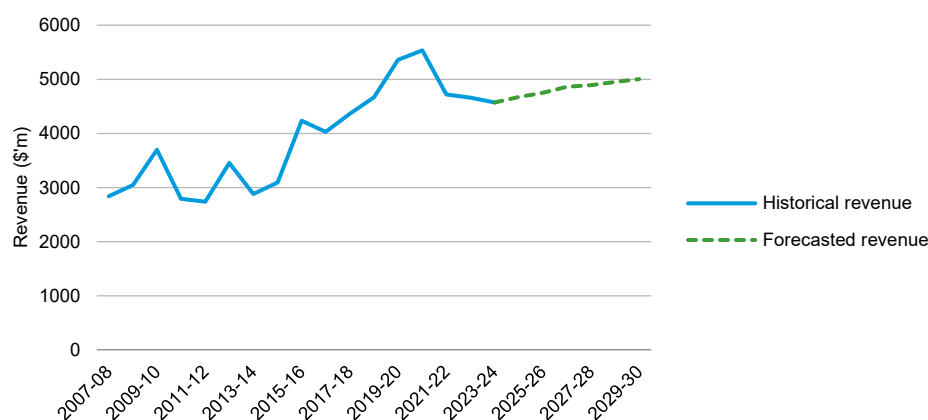
**Figure 3 Product Segmentation**



Source: IBIS Report A0130 Apple, Pear and Stone Fruit Growing in Australia

Industry growers are set for export growth driven by trade agreements, strong quality reputation, and rising organic demand—especially in Asia’s expanding middle class. Climate variability and Murray-Darling Basin water limits pose challenges, but automation and sustainable practices are helping improve yields. Revenue is forecast to grow 0.2% annually to \$1.51 billion by 2029–30.

**Figure 4 Historical and forecasted industry revenue**



Source: IBIS Report A0130 Apple, Pear and Stone Fruit Growing in Australia

## Industry competition

Competition in the industry is moderate and steady. Pome and some stone fruits are largely homogeneous, leading growers to compete on quality and market access. They also face strong external competition from low-cost imports and substitute healthy fruits such as bananas and citrus, pressuring prices.

## Key external drivers

The key external drivers influencing industry demand are:

- Level of annual rainfall: weather, especially rainfall, strongly impacts fruit yield, quality, and industry revenue. Favourable conditions boost profitability, while droughts and floods reduce output and threaten the industry.
- Domestic price of fruit: growers' earnings track consumer prices influenced by production, imports, and exports. A strong Australian dollar lowers export competitiveness and raises imports; a weak dollar has the opposite effect.
- Health consciousness: rising health awareness drives fruit consumption, but cost pressures shift demand toward cheaper processed options, reducing fresh fruit sales.
- Apparent fruit and vegetable consumption: growing health awareness is driving increased consumption of both traditional and new fruits, boosting domestic and global demand and presenting growth opportunities for the Australian fruit industry.

## Barriers to entry

The industry is characterised by relatively moderate but increasing barriers to entry. New entrants may encounter the following challenges:

- Legal: tighter Murray-Darling Basin water rules have raised irrigation costs and legal restrictions.
- Start-up costs: significant start-up expenses for specialised machinery and irrigated land often discourage new entrants from entering the industry.
- Differentiation: product differentiation is limited within fruit types but varies between them. Most consumers know standard varieties, making it challenging to create new markets.
- Labour Expenses: the industry demands significant capital and labour investment. While costly automation increases operating expenses, manual labour remains essential, especially during harvest.

## Grape Growing in Australia

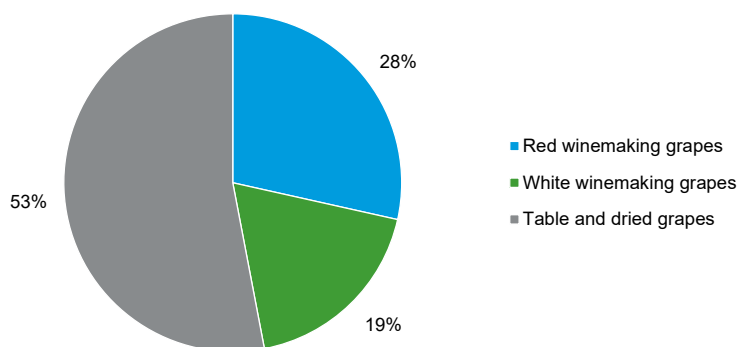
Duxton Farms Limited operates grape growing services. The following information has been extracted from IBISWorld industry report A0131 *Grape Growing in Australia* dated April 2025. IBISWorld states that industry growers primarily cultivate grapes for winemaking, fresh sale, or drying into sultanas. Grapes processed directly by wineries are excluded from this industry.

### Overview

The grape industry has faced significant volatility due to fluctuating growing conditions and an imbalance between supply and market demand. Warm climate growers, such as those in New South Wales' Big Rivers region, rely heavily on irrigation, unlike cooler zones with more stable rainfall. Extreme weather and other factors have made production unpredictable, with table and dried grape volumes surging in 2022–23 before dropping sharply in 2023–24. Volumes are expected to rebound strongly in 2024–25, driving a 10.4% revenue increase. Wine grape production is also forecast to rise, though weak demand and falling prices for red wine grapes have constrained revenue growth, which is projected to have averaged 1.6% annually to reach \$2.1 billion by 2024–25.

Wine grape growers have struggled with oversupply, reduced profitability, and export declines following China's 2020 tariffs on Australian bottled wine. Prices for red wine grapes in some regions have fallen below production costs, leading some growers to shift towards table grapes. Rising input costs, driven by higher fertiliser, fuel, and chemical prices amid geopolitical tensions, have further pressured margins. In response, growers are diversifying varieties and markets. With improving demand, stabilising prices, and easing input costs, industry profitability is expected to improve in 2024–25.

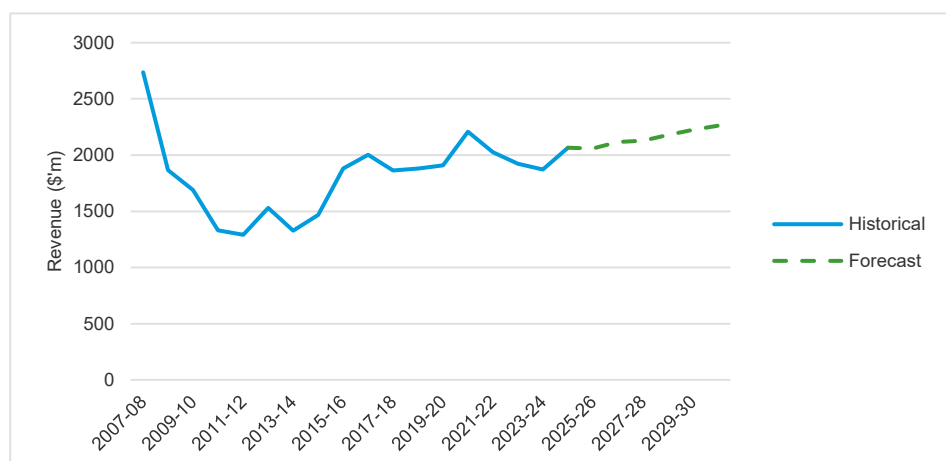
**Figure 5 Product Segmentation**



Source: IBIS Report A0131 Grape Growing in Australia

Australia's grape industry is set to benefit from improving export conditions and ongoing technological adoption. The removal of China's wine tariffs is expected to support a sustained rebound in wine exports, lifting demand and revenue for winemaking grapes. Advancements in automation and farm technologies are likely to enhance operational efficiency and reduce reliance on labour, helping growers manage costs amid climate and water sustainability pressures. As a result, industry revenue is projected to grow at an annualised 1.5% over the five years to 2029–30, reaching \$2.2 billion.

**Figure 6 Historical and forecasted industry revenue**



Source: IBIS Report A0131 Grape Growing in Australia

## Industry competition

The level of competition inherent in the industry is moderate and steady, with a low level of market concentration. Industry competition is intensified by large wineries sourcing grapes from in-house vigneron, reducing contract opportunities for independent growers. Additionally, shifting consumer preferences and imported wine grapes from the Northern Hemisphere pose further challenges to domestic producers.

## Key external drivers

The key external drivers influencing industry demand are:

- **Domestic price of wine grapes:** industry revenue is heavily influenced by wine grape prices, with growers reliant on major wine producers and export markets. Rising prices offer upside but shifts in demand or tariffs create volatility.
- **Level of annual rainfall:** rainfall levels directly impact yields, quality, and grape prices. Dry conditions reduce output and industry revenue, though price increases from supply shortages may partially offset losses in unaffected regions.
- **Domestic price of fertiliser:** fertiliser is vital for grape yields, but global supply disruptions and input price volatility, driven by the Russia-Ukraine conflict, have sharply increased costs.

## Barriers to entry

The industry is characterised by moderate and steady barriers to entry, with the following being characteristics of the industry;

- **Legal:** growers must comply with horticulture regulations, such as irrigation permits, and follow the Winegrape Purchases Code of Conduct in dealings with winemakers.
- **Startup costs:** high land and equipment costs, a long delay to production, and oversupply-driven low margins create significant barriers for new entrants.
- **Differentiation:** though a few major varieties dominate wine and table grape production, Australia's wide range of over 100 wine and 130 table grape varieties allows niche growers to compete; however, extensive public research limits opportunities for differentiation.
- **Labour expenses:** grape growing remains labour-intensive with mostly manual picking and inspections, but advanced equipment is reducing labour needs and costs, easing barriers to entry.

## Tree Nut Growing in Australia

Duxton Farms Limited operates nut growing services. The following information has been extracted from IBISWorld industry report *OD5544 Tree Nut Growing in Australia* dated May 2025. IBISWorld states that the industry primarily consists of firms that grow tree nuts, including almonds, macadamias, walnuts, pecans, chestnuts, pistachios, hazelnuts, and other similar varieties. Peanuts, being legumes, are excluded from this industry.

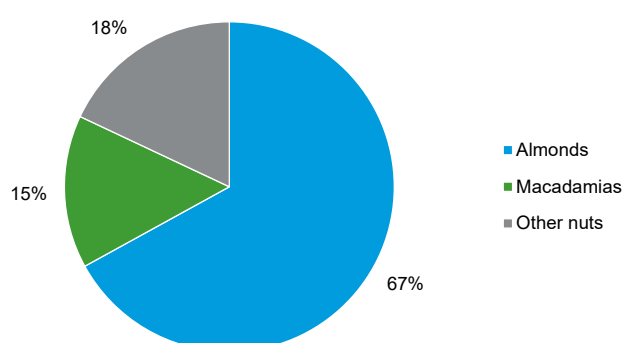
### Overview

The Australian tree nut growing industry benefits from counter-seasonal harvests, making its products highly attractive in global markets, particularly during Northern Hemisphere off-seasons. Almonds remain the dominant product, supported by rising health consciousness and strong export demand, especially from Asian markets. However, industry revenue has faced headwinds from global oversupply, adverse weather events, supply chain disruptions, and an appreciating Australian dollar, which has reduced export competitiveness.

Profitability has also been challenged by elevated input costs—particularly fertiliser prices linked to the Russia-Ukraine conflict—as well as rising capital investment in automation and essential farming machinery. While mechanisation has helped reduce wage costs, purchase costs remain high. Supermarket wholesale bypass, with major retailers sourcing directly from growers to reduce costs, has further pressured margins.

Despite this, the industry has seen growing demand for other nut varieties such as macadamias, walnuts, pistachios, and hazelnuts, driven by culinary integration and product innovation in health-focused snacks. Revenue has grown modestly at an annualised 0.3% over the past five years, reaching \$1.5 billion in 2024–25, with a strong 11.4% rebound forecast for the year.

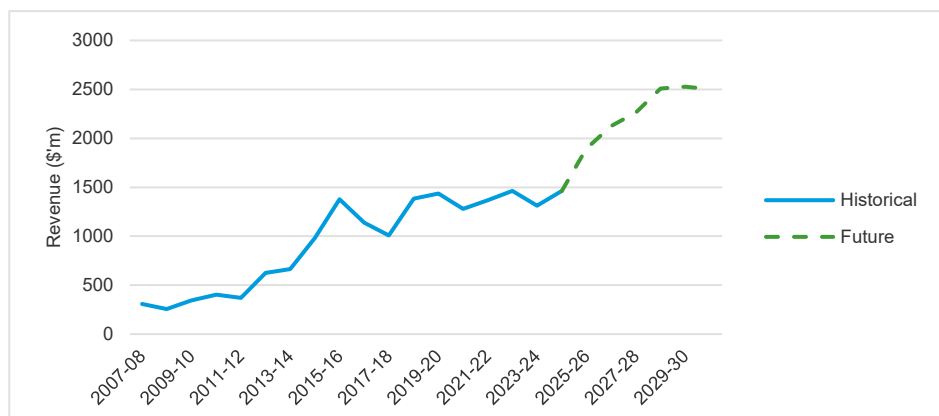
**Figure 7 Product Segmentation**



Source: IBIS Report OD5544 Tree Nut Growing in Australia

Australia's tree nut industry is poised for strong growth, driven by rising global consumption and expanding export demand. Growing health consciousness—supported by initiatives such as the Australian Nut Industry Council's Nuts for Life program—is expected to increase domestic and international nut intake. These favourable conditions are likely to attract new market entrants, boost industry participation, and support job creation. As a result, industry revenue is projected to grow at an annualised 11.6% over the five years to 2029–30, reaching \$2.5 billion.

**Figure 8 Historical and forecasted industry revenue**



Source: IBIS Report OD5544 Tree Nut Growing in Australia

## Industry competition

The level of competition inherent in the industry is moderate and steady, with a low level of market concentration. The industry is largely fragmented, with many small, family-run farms, though consolidation is increasing as larger growers expand to improve scale and efficiency. Supply consistency is a key competitive factor but is often impacted by weather. The industry also faces strong external competition from substitute foods and imported nuts.

## Key external drivers

The key external drivers influencing industry demand are:

- **Exchange rate movements:** a weaker Australian dollar boosts the price appeal of Australian nuts in global markets, supporting export revenue.
- **Rainfall and weather:** annual rainfall and extreme weather events such as droughts and floods directly affect nut harvest volumes, input costs, and overall industry performance.
- **Health consciousness:** rising consumer awareness of healthy eating habits increases demand for nutritious snacks such as nuts, creating growth opportunities for the industry.
- **Fertiliser costs:** volatile fertiliser prices—especially during dry seasons—raise production costs and pose a threat to grower margins.

## Barriers to entry

The industry is characterised by moderate and steady barriers to entry, with the following being characteristics of the industry;

- **Legal:** regulations are mainly limited to general environmental standards set by federal and state governments.
- **Startup costs:** while small-scale operations are affordable to begin, the long lead time between planting and harvesting creates financial pressure, often requiring interim revenue from other crops.
- **Differentiation:** tree nuts are largely homogeneous, so new entrants must compete on supply consistency, which is difficult to maintain due to weather variability.
- **Capital expenses:** nut farms require significant machinery and infrastructure, including soil preparation tools, irrigation systems, and harvest equipment.

## Beekeeping in Australia

Duxton Farms Limited operates beekeeping services. The following information has been extracted from IBISWorld industry report A0160 Beekeeping in Australia dated August 2023.

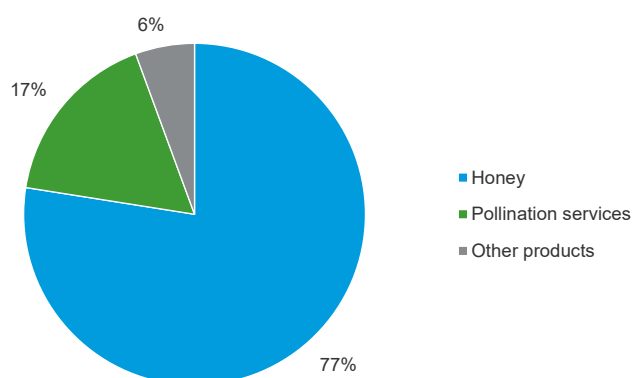
### Overview

The beekeeping industry has seen significant growth in recent years, driven by rising consumer demand for premium honey varieties such as manuka, which has boosted average prices. Beekeepers have shifted away from generic honey, focusing on differentiated products, supported by research into the unique health benefits of different varieties. This focus on premium products has helped drive an annualised revenue growth of 2.3% over the past five years, with a total revenue of \$285.5 million in 2023–24, marking a 5.7% increase. The industry comprises approximately 1,200 businesses, with most located in Queensland and New South Wales along the eastern coast, where consistent rainfall supports honey production. Despite this growth, the market remains highly fragmented, with no individual beekeeping business currently accounting for more than 5% of total market share.

The rise in demand for honey has also been encouraged by growing health consciousness, with consumers increasingly seeking healthier alternatives to sugar and recognising the medicinal qualities of certain honey varieties. However, growth has been tempered by challenges such as the COVID-19 pandemic, the 2019–20 bushfires, and the discovery of the Varroa Mite in New South Wales in mid-2022, which led to the euthanasia of bees in the affected areas.

Exports are projected to account for over 20% of industry revenue this year, with strong demand from Asia driven by rising household incomes. However, domestic beekeepers face stiff competition from New Zealand producers, both in exports and the local market. While competition from New Zealand imports has declined as Australian manuka honey production increases, a proposal by New Zealand producers to trademark "manuka honey" could hurt Australian producers if successful.

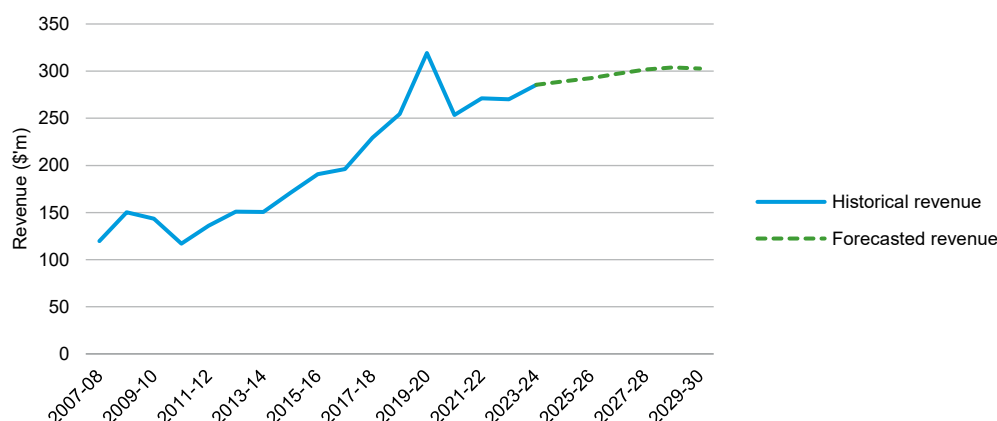
### Figure 9 Product Segmentation



Source: IBIS Report A0193 Beekeeping in Australia

Looking ahead, industry revenue is expected to continue growing. Rising consumer awareness of honey's health benefits and increased demand from Asia will drive domestic and export sales. Additionally, pollination services will become an increasingly important revenue source as key agricultural sectors, such as almond farming, expand. However, the future of the industry may be at risk if the Varroa Mite outbreak is not contained. Nonetheless, revenue is forecasted to grow at an annualised 1.3% over the next five years, reaching \$303.9 million by 2028-29.

**Figure 10 Historical and forecasted industry revenue**



Source: IBIS Report A0193 Beekeeping in Australia

## Industry competition

The industry is experiencing high and growing levels of competition. While Australian beekeepers face significant pressure from honey imports, the rising demand for Australian manuka honey has alleviated some competition from New Zealand producers. Within the industry, competition is largely driven by price and quality, with beekeepers also vying for prime apiary locations, as premium honey varieties rely on specific types of flora.

## Key external drivers

The key external drivers influencing industry demand are:

- **Health consciousness:** rising health awareness boosts demand for honey as a healthier sugar alternative and raw, locally produced honey. health consciousness is expected to increase by 0.1% in 2023-24, driving revenue growth.
- **Real household disposable income:** higher disposable income leads to more spending on premium honey, contributing to industry revenue. disposable income is forecast to grow by 1.1% in 2023-24.
- **Trade-weighted index:** a weaker Australian dollar enhances export competitiveness, while a stronger dollar reduces it. the trade-weighted index is expected to rise by 4.2% in 2023-24, potentially impacting export demand.
- **Demand from food manufacturers:** increased honey demand from food manufacturers, including for cereals and baked goods, supports revenue growth. demand from food manufacturers is expected to rise by 1.0% in 2023-24.

## Barriers to entry

The industry is characterised by moderate and steady barriers to entry, with the following being characteristics of the industry;

- **Legal:** new entrants must navigate legal requirements for hive registration and identification, though these processes are relatively simple and low-cost.
- **Start-up costs:** small-scale producers can start with minimal capital investment. however, as businesses expand and profitability increases, so does the required investment.
- **Differentiation:** securing suitable apiary sites and intense competition among beekeepers makes it challenging for new operators to differentiate their products.
- **Labour intensity:** beekeeping requires experienced, skilled labour, and many tasks involved in honey production cannot be easily automated.



## E. Property Valuation Report Extracts

In accordance with RG 111.102, to avoid the inclusion of extraneous information, and to ensure that our report is clear and concise, we have not included full copies of each of the independent valuations in the Report. However, should Shareholders require a full copy of Knight Frank or CBRE's independent valuations, these can be obtained from the Company on request, free of charge.

### Duxton Farms – Forbes Aggregation

# 1 Executive Summary

## INSTRUCTIONS / RELIANCE

Instructing Party	Andrew Clifford of RSM Corporate Australia Pty Limited.
Instruction Date	5 May 2025.
Reliant Party/Purpose	RSM Corporate Australia Pty Limited for Independent Expert Report purposes only.
Limitation of Liability (Condition of Reliance)	To the fullest extent permitted by law, the total aggregate liability of CBRE under or in relation to this valuation, however caused, and whether arising under contract, tort (including negligence) or otherwise, is limited to the prescribed liability caps in the APIV Limited Liability Scheme (applicable as at the date of valuation).
Reliance Period	Reliance on our Valuation Report is extended to the Reliant Party/ies for a maximum period of 90 days from the date of valuation (refer to the Valuation Synopsis for further qualifications).
Interest Valued	Freehold (100%).
Basis of Valuation	Market Value - As Is - Vacant Possession.

## PORTFOLIO PARTICULARS

Portfolio Name	Duxton Farms
Asset Description	The Duxton Farms portfolio is located in proximity to Forbes in the Central West region of New South Wales. The portfolio comprises 6 contiguous and non-contiguous properties that are primarily utilised for irrigated and dryland cropping/grazing. Refer to body of report for details.
Title Details	Multiple Titles - refer to body of report.
Land Area	8,958.52 hectares.

## Duxton Farms – Forbes Aggregation (cont.)

Valuation Report | Duxton Farms, Various Addresses, Forbes NSW 2871



ASSESSMENT		Date of Issue: 6 August 2025
Valuation Approaches	Direct Comparison - Summation	
Date of Inspection	8 April 2025	
Date of Valuation	8 April 2025	
ADOPTED VALUES	<p>All assessments below are 100% Interest, and are provided exclusive of GST.</p> <p><u>Walla Wallah, 1372 Lachlan Valley Way, Jemalong NSW 2871</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$20,800,000</p> <p>(Twenty Million, Eight Hundred Thousand Dollars)</p> <p><u>Cowaribin, Lachlan Valley Way, Warroo NSW 2871</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$6,450,000</p> <p>(Six Million, Four Hundred and Fifty Thousand Dollars)</p> <p><u>Merriment, 346 Willawong Road, Warroo NSW 2871</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$6,350,000</p> <p>(Six Million, Three Hundred and Fifty Thousand Dollars)</p> <p><u>Yarranlea, 424 Warroo Road, Lake Cowal NSW 2671</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$16,400,000</p> <p>(Sixteen Million, Four Hundred Thousand Dollars)</p> <p><u>West Plains, 279 West Plains Road, Corinella NSW 2871</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$23,600,000</p> <p>(Twenty Three Million, Six Hundred Thousand Dollars)</p> <p><u>Lenborough, 373 Wennings Road, Corinella NSW 2871</u></p> <p>Market Value - As Is - Vacant Possession</p> <p>\$4,800,000</p> <p>(Four Million, Eight Hundred Thousand Dollars)</p>	
Principal Valuer		<p>Ian McNeil   AAPI</p> <p>Registered Valuer No. 86732   Certified Practising Valuer</p> <p>Valuer   Agribusiness</p> <p>Property Inspection - Yes   Job Involvement - Valuation &amp; Analysis</p>
Secondary Valuer		<p>George Philip   AAPI, BPropEc</p> <p>Registered Valuer No. 110920   Certified Practising Valuer</p> <p>Valuation &amp; Advisory Services</p> <p>Property Inspection - No   Job Involvement - Valuation &amp; Analysis</p>
Counter-Signatory		<p>Andrew Warren   AAPI, B. Com (Prop)</p> <p>National Director, Agribusiness   Quality &amp; Risk Management</p> <p>Property Inspection - No   Job Involvement - Counter-Signatory in capacity of Quality Assurance**</p> <p>The opinion of value has been arrived at by the Principal Valuer/s.</p>
Conditional Terms (Important)	<p>** The Counter-Signing Director/Peer or Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of value expressed has been arrived at by the Principal Valuer/s.</p> <p>This summary must not be acted on in isolation and must not be read independently of the valuation report in its entirety. This valuation and summary are subject to all content, assumptions, disclaimers, qualifications and recommendations in the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.</p> <p>Liability limited by a scheme approved under Professional Standards Legislation.</p>	

CBRE Valuations Pty Limited | ABN 15 008 912 641 | Valuation & Advisory Services  
Level 21, 363 George Street, Sydney NSW 2000 | T 1300 407 092 | F 61 2 9333 3337 | www.cbre.com.au

## Executive Summary



'PIAMBIE FARM'		
5793 MURRAY VALLEY HIGHWAY, NATYA VIC 3597		
Instructing Party	Mr Andrew Clifford- Independent Expert , RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	DUXTON PISTACHIOS PTY LTD	
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Use Licence on an 'As Is' and 'As If Complete' basis.	
CBA Asset Type Classification	Orchards	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	1,184.9 hectares (approximately)	
Zoning	Farming Zone	
Description	<p>The property known as 'Piambie Farm' comprises a young pistachio orchard situated 17.3 kilometres north of the Piangil township in Northern Victoria. The property is held within three (3) adjoining Certificates of Title forming an irregular shaped parcel of land with relatively flat terrain. Structural improvements to the property include a homestead, workers dwelling, workshop and hay shed. 'As Is' the property comprises a 295.77 hectare pistachio orchard planted in 2023/2024 as part of Stages One (1) and Two (2) of orchard development. Furthermore, the property offers approximately 605.16 hectares of plantable land including approximately 44 hectares of which is ready for planting, approximately 180.00 hectares of dryland cropping land and approximately 60.00 hectares of balance land. Soils comprise clay loam over medium to medium-heavy clay with some areas of self-mulching clay. Irrigation water is supplied by Water Use Licence 021538 with an Annual Use Limit of 8,884.0ML. The estimated rainfall for the subject property is between 300mm and 350mm per annum.</p> <p>'As If Complete', the property will comprise a further 187.00 hectares of pistachio orchard as part of Stage Three (3) of the orchard development plan. We have been provided with development costings for Stage Three (3) from the owner's representative, Mr Bryan Goldsmith, which has a total development cost of approximately \$3,312,287 ex GST. Furthermore, 'As If Complete' the property will offer a machinery shed, chemical shed and refurbishment of workers dwelling 2. We have been advised that the total cost for the building improvements is approximately \$500,000 ex GST.</p>	

Valuation Methodology	Market Approach
Date of Inspection	23 <sup>rd</sup> April 2025
Valuation Date	30 <sup>th</sup> June 2025
Adopted Market Value – 'As Is'	<b>\$19,750,000 (exclusive of GST)</b>
Rate/ha of Site Area Improved – 'As Is'	\$16,668/ha
Adopted Market Value – 'As If Complete'	<b>\$24,480,000 (exclusive of GST)</b>
Rate/ha of Site Area Improved – 'As If Complete'	\$20,650/ha
Valuer's Details	<div>   <b>JASON OSTER</b>  BBus (Property) FAPI 64303  AssocDip AppSci (FarmMgt)  Accredited Specialist Water Valuer  Partner, Certified Practising Valuer  Property Inspected: Yes </div> <div>   <b>LYLE MONTGOMERIE</b>  BBus (Property) AAPI 50385  Associate, Certified Practising Valuer  Property Inspected: No  Counter-sign only for peer review </div>

This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.

## Duxton Farms – Piambie (cont.)

RSM Corporate Australia Pty Limited



## 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Piambie Farm' 5793 Murray Valley Highway, Natya VIC 3597. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Use Licence on an 'As Is' and 'As If Complete' basis, as at the 30th June 2025, for RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes was:

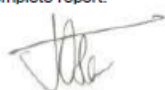
**'As Is'**  
**\$19,750,000 (excluding GST)**

*(Nineteen Million, Seven Hundred and Fifty Thousand Dollars (excluding GST))*

**'As If Complete'**  
**\$25,080,000 (excluding GST)**

*(Twenty-Five Million and Eighty Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**LYLE MONTGOMERIE**  
BBus (Property) AAPI 50385  
Associate, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review

### Knight Frank Valuation & Advisory South Australia

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

'Piambie Farm' 5793 Murray Valley Highway, Natya VIC 3597

File Reference: 763582

June 2025



Page 50

## Duxton Farms - NT Portion 8554 (Wildman)

### Executive Summary



WILDMAN RIVER DEVELOPMENT 1510 WARD WAY, POINT STURT NT 0822		
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	Duxton Farms Limited	
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Licence.	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	2,386.0 hectares (approximately)	
GBA	1,146m <sup>2</sup> (approximately)	
Zoning	No Town Plan Zone Applies	
Description	<p>'Wildman River Development' comprises a horticultural development site located approximately 165 kilometres east of Darwin in the Northern Territory. The property is held within a single (1) Certificate of Title being an irregular shaped parcel of land with relatively flat terrain. The property comprises approximately 665 hectares of horticultural development land which was previously cleared with a small portion developed to cashews and approximately 33 hectares of Kakadu plums. There is approximately 440 hectares of land with regrowth suited to development with minor cleanup required. There is a further 440 hectares of regrowth land that requires heavy chain removal, and approximately 45 hectares of cleared timber with the balance land comprising native vegetation. Structural improvements include four (4) basic dwellings, and various shedding improvements further detailed herein. Irrigation water is available under Water Licence WRKD1 with a Maximum Water Entitlement of 8,021 ML. Water is available from two primary bores however we understand there are five (5) underground bores available. Soils across the property consist of alluvial plains, sandy loam soils ranging from deep sands to loamy and clayey textures. In accordance with the Bureau of Meteorology the average annual rainfall is estimated to be between 1,400mm and 1,500mm per annum.</p>	
Valuation Methodology	Market Approach	
Date of Inspection	21 <sup>st</sup> May 2025	
Valuation Date	30 <sup>th</sup> June 2025	

Adopted Market Value	\$10,500,000 (exclusive of GST)	
Rate/ha of Site Area Improved	\$4,401/ha	
Valuer's Details	<div>  <p><b>JASON OSTER</b> BBus (Property) FAPI 64303 AssocDip AppSci (FarmMgt) Accredited Specialist Water Valuer Partner, Certified Practising Valuer Property Inspected: Yes</p> </div> <div>  <p><b>RYAN LU</b> BBus (Property) AAP1 102052 Certified Practising Valuer Property Inspected: No Counter-sign only for peer review</p> </div>	

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.*

## Duxton Farms - NT Portion 8554 (Wildman) (cont.)

RSM Corporate Australia Pty Limited



## 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Wildman River Development' 1510 Ward Way, Point Stuart NT 0822. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Licence, as at the 30th June 2025, for preparation of an Independent Experts Report purposes was:

**\$10,500,000 (excluding GST)**

*(Ten Million, Five Hundred Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**RYAN LU**  
BBus (Property) AAPI 102052  
Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review



### **Knight Frank Valuation & Advisory South Australia**

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*



## Executive Summary



DUXTON BEES LOT 2 HIGH DARLING ROAD, WENTWORTH NSW 2648	
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000
Registered Proprietor	DUXTON BEES PTY LTD
Interest Valued	Market Value of the unencumbered Crown Leasehold interest with vacant possession.
Relying Party and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes. <b>The valuation may not be relied upon for mortgage security purpose.</b>
Land Area	4,885.0 hectares (approximately)
Zoning	RU1 Primary Production
Description	The subject property comprises a grazing holding situated approximately 30 kilometres north of the Wentworth township in the Western Riverina district of New South Wales. The property is held within a single (1) Western Lands Lease, forming an irregular-shaped parcel of land with relatively flat to gently undulation terrain. The property comprises mostly native vegetation across a large area of floodplain and is devoid of any significant structural improvements. Water is supplied to the property via two (2) natural water catchment dams. Soils comprise predominantly sandy loams over red clay. The average annual rainfall in accordance with the Bureau of Meteorology is estimated to be between 275mm and 300mm per annum.
Valuation Methodology	Market Approach
Date of Inspection	4 <sup>th</sup> June 2025
Valuation Date	30 <sup>th</sup> June 2025
Adopted Market Value	<b>\$980,000 (exclusive of GST)</b>
Rate/ha of Site Area	\$201/ha
Lending Cautions	Valuation assumes there is no inherent risk of site contamination as per Section 1 Valuation assumes there is no inherent risk from asbestos as per Section 1
Valuer's Details	<div>   <b>BEN BADENOCH</b>  BBus (Property) AAPI 64377  Agribusiness (Accredited Specialist Water Valuer)  Partner, Certified Practising Valuer  Property Inspected: Yes </div> <div>   <b>JASON OSTER</b>  BBus (Property) FAPI 64303  AssocDip AppSci (FarmMgt)  Accredited Specialist Water Valuer  Partner, Certified Practising Valuer  Property Inspected: No </div>

## Executive Summary (cont'd)



<b>Market Value Definition</b>	<p>Market Value as defined by the International Valuation Standards Council (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:</p> <p><i>"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion."</i></p> <p><b>Owner Occupied Property – AASB 116 – Fair Value Statement</b></p> <p>AASB 116 prescribes the accounting treatment for owner-occupied property by the entity however AASB 116 does not provide direction to valuers. We are instructed that the subject is an operational asset of a going concern and that a valuation is required under the Fair Value model. "Fair Value" is defined within AASB 116 as:</p> <p><i>"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."</i></p>
<b>Key Points and Comments</b>	<ul style="list-style-type: none"> <li>• The property offers a substantial land holding within the Western Riverina district of New South Wales of approximately 4,885 hectares.</li> <li>• The property is devoid of any significant improvements.</li> <li>• The property comprises mostly native vegetation, including mallee, mulga, bluebush, saltbush, black oaks and red gums.</li> </ul>
<b>Important Notice:</b>	<p>The valuation has been made in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute Standing Instructions.</p> <p>The valuation is also conditional on the important notices, disclaimers and qualifications contained in the body of this report.</p>

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.*

*Liability limited by a scheme approved under Professional Standards Legislation.*



## Duxton Bees – Wentworth (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Duxton Bees' Lot 2 High Darling Road, Wentworth NSW 2648. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Crown Leasehold interest with vacant possession, as at the 30<sup>th</sup> June 2025, for preparation of an Independent Experts Report purposes was:

**\$980,000 (excluding GST)**

*(Nine Hundred and Eighty Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**BEN BADENOCH**  
BBus (Property) AAPI 64377  
Agribusiness (Accredited Specialist Water Valuer)  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review

### Knight Frank Valuation & Advisory South Australia

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*



#### Appendices

Letter of Instruction  
Copy of Western Land Lease  
Zoning Regulations  
Qualifications

## Duxton Bees – Pallamana

### Executive Summary



DUXTON BEES	
462 REEDY CREEK ROAD, PALLAMANA SA 5254	
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000
Registered Proprietor	DUXTON BEES PTY. LTD.
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession
Relying Party and Purpose of Valuation	RSM Corporate Australia Pty Limited for RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.
Land Area	2.63 hectares (approximately)
GLA	1,826m <sup>2</sup> (approximately)
Zoning	Rural Zone
Description	The subject property comprises a warehouse holding situated some 9 kilometres north west of Murray Bridge adjacent the Pallamana Aerodrome. Murray Bridge itself is situated approximately 76 kilometres southeast of the Adelaide CBD. The property is held within a single (1) Certificate of Title forming an irregular shaped parcel of land with reasonably level contour. The property is improved by an office and two (2) adjoining warehouses with the improvements presenting to a good standard. Recent additions include a controlled climate Honey extraction and heat treatment room within Warehouse 1. The property is of Rural Zoning however is protected with existing use rights.
Valuation Methodology	Market Approach
Date of Inspection	24 <sup>th</sup> April 2025
Valuation Date	30th June 2025
Adopted Market Value	<b>\$2,850,000 (exclusive of GST)</b>
Rate/m <sup>2</sup> of GBA	\$1,561/m <sup>2</sup>
Rate/ha of Site Area Improved	\$108/ha
Lending Cautions	Valuation assumes there is no inherent risk of site contamination as per Section 1 Valuation assumes there is no inherent risk from asbestos as per Section 1
Valuer's Details	
	<div>  <p><b>JASON OSTER</b> BBus (Property) FAPI 64303 AssocDip AppSci (FarmMgt) Accredited Specialist Water Valuer Partner, Certified Practising Valuer Property Inspected: Yes</p> </div> <div>  <p><b>BEN BADENOCH</b> BBus (Property) AAPI 64377 Agribusiness (Accredited Specialist Water Valuer) Partner, Certified Practising Valuer Property Inspected: No Counter-sign only for peer review</p> </div>

## Executive Summary (Cont'd)



Market Value Definition	<p>Market Value as defined by the International Valuation Standards Council (IVSC) and endorsed by the Australian Property Institute (API) and embodied within the current Corporations Law, is as follows:</p> <p><i>"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion."</i></p> <p>This valuation has been undertaken adopting the subject property's Highest and Best Use, as defined by the IVSC and endorsed by the Australian Property Institute, which is:</p> <p><i>"The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible".</i></p> <p>Taking into considering the property's characteristics including land area, site configuration, existing improvements, development approvals (if any), zoning and existing lease/s, we believe that the Highest and Best Use of the property, as at the date of valuation is its current use.</p> <p><b>Owner Occupied Property – AASB 116 – Fair Value Statement</b></p> <p>AASB 116 prescribes the accounting treatment for owner-occupied property by the entity however AASB 116 does not provide direction to valuers. We are instructed that the subject is an operational asset of a going concern and that a valuation is required under the Fair Value model. "Fair Value" is defined within AASB 116 as:</p> <p><i>"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."</i></p>
Key Points and Comments	<ul style="list-style-type: none"> <li>• Warehouse holding situated some 9 kilometres north west of Murray Bridge township with primary access achieved via Reedy Creek Road.</li> <li>• The property is improved with two (2) good quality warehouses with concrete hard stand, warehouse one (1) offers an internal Bondor honey extraction plant which includes a hot and processing room.</li> <li>• Located within a Rural zone although the current industrial land use is protected under the existing use rights.</li> </ul>
Important Notice:	<p><i>The valuation has been made in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute.</i></p> <p><i>The valuation is also conditional on the important notices, disclaimers and qualifications contained in the body of this report.</i></p>

## Duxton Bees – Pallamana (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of Duxton Bees 462 Reedy Creek Road, Pallamana SA 5254. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession, as at the 30<sup>th</sup> June 2025, for preparation of an Independent Experts Report purposes was:

**\$2,850,000 (excluding GST)**

*(Two Million Eight Hundred and Fifty Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**BEN BADENOCHO**  
BBus (Property) AAPI 64377  
Agribusiness (Accredited Specialist Water Valuer)  
Partner, Certified Practising Valuer

Property Inspected: No  
Counter-sign only for peer review

### Knight Frank Valuation & Advisory South Australia

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

Duxton Bees 462 Reedy Creek Road, Pallamana SA 5254

File Reference: 763582

June 2025


Page 33



## Duxton Walnuts – Yarramundee

### Executive Summary

Reference: 763582



'YARRAMUNDEE'		
131 CAMERONS LANE, BOOMANOOMANA NSW 2712		
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited. Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	DUXTON DAIRIES (COBRAM) PTY LTD	
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Use Licences.	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	1,126.16 hectares (approximately)	
GBA	4,465m² (approximately)	
Zoning	RU1: Primary Production	
Description	The subject property comprises a walnut orchard and an irrigated cropping and grazing enterprise. The property is located approximately 15.6 kilometres southeast of the Barooga township, which itself is located on the northern banks of the Murray River approximately 677 kilometres southwest of Sydney via the Hume Freeway. The property is held within five (5) adjoining Certificates of Title being an irregular shaped parcel of land with relatively flat to gently undulating terrain. The property comprises a 145.99 hectare walnut orchard planted in 2023 and 2024 over two (2) stages. Structural improvements to the property include three (3) dwellings, an office, 50 bale rotary dairy with extensive feed pad which is now disused, an office, garage, two (2) hay sheds, workshop, storage shed and two (2) shearing sheds. Irrigation water for the subject property is supplied via six (6) WAL Licences operating under New South Wales Murray Regulated River Water Source (Stock and Domestic) Licence numbers WAL 4530, WAL 11168, and WAL 11169 with a Taking Allocation of 21.00ML and the Lower Murray Shallow Groundwater Source (Aquifer) WAL Licence numbers WAL 30529, WAL 30392, and WAL 30427 with a combined Taking Allocation of 3,988ML. The estimated rainfall for the subject property is between 475mm and 525mm per annum. The dairy facility is now not used and as such we have valued the dairy infrastructure on an alternate use basis.	
Valuation Methodology	Market Approach	
Date of Inspection	24 <sup>th</sup> April 2025	
Date of Valuation	30 <sup>th</sup> June 2025	

Adopted Market Value	\$24,470,000 (exclusive of GST)	
Rate/ha of Site Area Improved	\$21,729/ha	
Valuer's Details	<div>   </div> <div> <b>JASON OSTER</b>  BBus (Property) FAPI 64303  AssocDip AppSci (FarmMgt)  Accredited Specialist Water Valuer  Partner, Certified Practising Valuer  Property Inspected: Yes </div> <div> <b>CRAIG BARLOW</b>  BBus (Property) AAPI 64368  Partner, Certified Practising Valuer  Property Inspected: No  Counter-sign only for peer review </div>	

This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.

## Duxton Walnuts – Yarramundee (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Yarramundee' 131 Camerons Lane, Boomanoomana NSW 2712. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Licence, as at the 30<sup>th</sup> June 2025, for preparation of an Independent Experts Report purposes was:

**\$24,470,000 (excluding GST)**

*(Twenty Four Million, Four Hundred and Seventy Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**CRAIG BARLOW**  
BBus (Property) AAPI 64366  
Partner, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review


### Knight Frank Valuation & Advisory South Australia



*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Partner of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

## Duxton Dried Fruits – Euston

### Executive Summary



DUXTON DRIED FRUITS NO 1 TILLARA ROAD, EUSTON NSW 2737		
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	DUXTON DRIED FRUITS PTY LTD	
Interest Valued	Market Value of the unencumbered Crown Leasehold interest with vacant possession on an 'In Use' basis.	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	697.6 hectares (approximately)	
GBA	2,643m <sup>2</sup> (approximately)	
Zoning	Primary Production Zone	
Description	The subject property comprises a large-scale dried fruit orchard located approximately 37 kilometres east of Euston in south western New South Wales. The property is held within a single (1) Certificate of Title being an irregular shaped parcel of land with relatively flat to gently undulating terrain. Structural improvements include two (2) modern dwellings detached garages, modern implement shed, filtration shed, office, transportable style workman's cottage, machinery shed and three (3) ATCO hut style workers accommodation. The dried fruit vineyard totals approximately 388.92 hectares which was planted in four (4) stages between 2018 and 2021 to Sun Muscat (289.73ha), Sunglo (19.21ha), Currant (50.91ha) and Selma Pete (40.07ha) varieties. The whole of the dried fruit vineyard has a 12 year "Off-Take" agreement to Australian Premium Dried Fruits which has been summarised herein. The irrigation water is pumped directly from the Murray River; however, the property has no permanent Water Entitlements. The average annual rainfall in accordance with the Bureau of Meteorology is between 275mm and 325mm.	
Valuation Methodology	Market Approach and Income Approach as a check	
Date of Inspection	31 <sup>st</sup> March 2025	
Valuation Date	30 <sup>th</sup> June 2025	

Adopted Market Value	\$24,770,000 (exclusive of GST)	
Rate/ha of Site Area Improved	\$35,507/ha	
Valuer's Details	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>JASON OSTER</b>            BBus (Property) FAPI 64303            AssocDip AppSci (FarmMgt)            Accredited Specialist Water Valuer            Partner, Certified Practising Valuer            Property Inspected: Yes         </div> <div style="text-align: center;">   <b>BEN BADENOCH</b>            BBus (Property) AAPI 64377            Agribusiness (Accredited Specialist Water Valuer)            Partner, Certified Practising Valuer            Property Inspected: No            Counter-sign only for peer review         </div> </div>	

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.*



## Duxton Dried Fruits – Euston (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Duxton Dried Fruits' No 1 Tillara Road, Euston NSW 2737. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Crown Leasehold interest with vacant possession on an 'In Use' basis, as at the 30th June 2025, for preparation of an Independent Experts Report purposes was:

**\$24,770,000 (excluding GST)**

*(Twenty Four Million, Seven Hundred and Seventy Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**BEN BADENOCH**  
BBus (Property) AAPI 64377  
Agnibusiness (Accredited Specialist Water Valuer)  
Partner, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review

### Knight Frank Valuation & Advisory South Australia

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

'Duxton Dried Fruits No 1', Tillara Road, Euston NSW 2737

File Reference: 763582

June 2025


Page 48





## Duxton Dried Fruits – Wemen

### Executive Summary



DUXTON DRIED FRUITS NO 2 2527 HATTAH-ROBINVALE ROAD, LIPAROO VIC 3549		
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	DUXTON DRIED FRUITS PTY LTD	
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession on an 'In Use' basis.	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	248.3 hectares (approximately)	
GBA	2,154m <sup>2</sup> (approximately)	
Zoning	Farming Zone	
Description	<p>The property is located on the northern and southern side of the Hattah-Robinvale Road, approximately 92 kilometres southeast of Mildura and approximately 42 kilometres southwest of the Robinvale Township. The property is held within five (5) Certificates of Title being an irregular shaped parcel of land with relatively flat terrain with soils predominately consisting of red sandy loam. Structural improvements to the property include four (4) timber clad/weatherboard dwellings, machinery shed, main shed and pump shed. The property comprises a total vineyard of approximately 214.11 hectares established to various dried fruit varieties further detailed herein. The property is subject to Supply Agreements with Sunbeam Foods Pty Ltd and Australian Premium Dried Fruits, over the dried fruit vineyard with the whole of the planted area being subject to supply agreements as at the date of valuation. The irrigation water is pumped directly from the Murray River. The property has an Annual Use Limit for 1,598ML and is devoid of Permanent Water Entitlement. We understand water sourced from the temporary market on an annual basis. The average annual rainfall in accordance with the Bureau of Meteorology is between 275mm and 325mm per annum.</p>	
Valuation Methodology	Market Approach and Income Approach as a check	
Date of Inspection	31 <sup>st</sup> March 2025	
Valuation Date	30 <sup>th</sup> June 2025	

Adopted Market Value	\$12,350,000 (exclusive of GST)	
Rate/ha of Site Area Improved	\$50,134/ha	
Valuer's Details	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>JASON OSTER</b>  BBus (Property) FAPI 64303  AssocDip AppSci (FarmMgt)  Accredited Specialist Water Valuer  Partner, Certified Practising Valuer  Property Inspected: Yes </div> <div style="text-align: center;">   <b>BEN BADENOCH</b>  BBus (Property) AAPI 64377  Agribusiness (Accredited Specialist Water Valuer)  Partner, Certified Practising Valuer  Property Inspected: No  Counter-sign only for peer review </div> </div>	

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.*

## Duxton Dried Fruits – Wemen (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of 'Duxton Dried Fruits No 2 2527 Hattah-Robinvale Road, Liparoo VIC 3549. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession on an 'In Use' basis, as at the 30th June 2025, for RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes was:

**\$12,350,000 (excluding GST)**

*(Twelve Million, Three Hundred and Fifty Thousand Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**BEN BADENOCH**  
BBus (Property) AAPI 64377  
Agribusiness (Accredited Specialist Water Valuer)  
Partner, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review

### **Knight Frank Valuation & Advisory South Australia**

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Partner of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

'Duxton Dried Fruits No 2' 2527 Hattah-Robinvale Road, Liparoo VIC 3549

File Reference: 763582



June 2025

Page 51

## Duxton Orchards – Loxton

### Executive Summary



LOXTON ORCHARD VARIOUS PROPERTIES, LOXTON SA 5333		
Instructing Party	Mr Andrew Clifford RSM Corporate Australia Pty Limited. Level 27, 120 Collins Street Melbourne VIC 3000	
Registered Proprietor	RIVERCORP LAND & WATER PTY LTD	
Interest Valued	Market Value of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Licence.	
Relying Parties and Purpose of Valuation	RSM Corporate Australia Pty Limited for preparation of an Independent Experts Report purposes.	
Land Area	125.1 hectares (approximately)	
GBA	848m <sup>2</sup> (approximately)	
Zoning	Rural Horticulture Zone	
Description	The subject property comprises an established apple orchard which is situated on the outskirts of the Riverland township of Loxton, which is approximately 250 kilometres east of the Adelaide GBD via the Sturt Highway. The property comprises five (5) separately saleable non-contiguous holdings which are located approximately 8 kilometres northeast of the Loxton Township. As a whole, the property is established to approximately 106.95 hectares of apple trees planted to Pink Lady, Gala and Granny Smith in 2007, 2008 and 2009 which are considered to be fully bearing together with a small patch of 2015 plantings. Of the total planted area 93.12 hectares is under permanent shade netting which has been developed over various stages, 11.37 hectares of which needs netting replacement. The fruit produced is primarily sold as fresh apples together with lower grade fruit being utilised in the juicing market. The fruit from the orchard is subject to a supply agreement with Lenswood and Adelaide Hills Fresh (AHF). The average annual rainfall in accordance with the Bureau of Meteorology is between 250mm and 275mm.	
Valuation Methodology	Market Approach and Depreciated Replacement Cost	
Date of Inspection	28 <sup>th</sup> April 2025	
Valuation Date	30 <sup>th</sup> June 2025	
Adopted Market Value	\$7,000,000 (exclusive of GST)	
Rate/ha of Site Area Improved	\$55,951/ha	
Valuer's Details	<div></div> <div><b>BEN BADENOCH</b> BBus (Property) AAPI 64377 Agribusiness (Accredited Specialist Water Valuer) Partner, Certified Practising Valuer Property Inspected: Yes</div> <div><b>JASON OSTER</b> BBus (Property) FAPI 64303 AssocDip AppSci (FarmMgt) Accredited Specialist Water Valuer Partner, Certified Practising Valuer Property Inspected: No Counter-sign only for peer review</div>	

*This Executive Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications, Important Notices and Disclaimers included in this report.*

## Duxton Orchards – Loxton (cont.)

RSM Corporate Australia Pty Limited



### 7 Valuation Certification

Acting under instructions from Mr Andrew Clifford of RSM Corporate Australia Pty Limited, Knight Frank Valuation & Advisory South Australia has undertaken a valuation of Loxton Orchard Various Properties, Loxton SA 5333. We confirm that we have inspected the property as described herein and have prepared this report.

Subject to the overriding stipulations contained within the body of this report, we are of the opinion that the market value of the subject property assuming a sale of the unencumbered Freehold interest with vacant possession on an 'In Use' basis inclusive of Water Licence, as at the 30<sup>th</sup> June 2025, for preparation of an Independent Experts Report purposes was:

**\$7,000,000 (excluding GST)**

*(Seven Million Dollars (excluding GST))*

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.



**BEN BADENOCH**  
BBus (Property) AAP1 64377  
Agribusiness (Accredited Specialist Water Valuer)  
Partner, Certified Practising Valuer  
Property Inspected: Yes



**JASON OSTER**  
BBus (Property) FAPI 64303  
AssocDip AppSci (FarmMgt)  
Accredited Specialist Water Valuer  
Partner, Certified Practising Valuer  
Property Inspected: No  
Counter-sign only for peer review

### Knight Frank Valuation & Advisory South Australia

*The Counter-Signatory has not inspected the subject property, nor concluded the opinions and advice expressed in this report. Reliance on this report should only be taken upon sighting a report document that has been signed or countersigned by a Senior Member of Knight Frank Valuation & Advisory South Australia. The opinions and advice expressed in this report have been arrived at by the prime signatory acting as the Valuer. The Counter Signatory confirms a peer review was conducted, which has comprised a review of this report and conferring with the Valuer, having particular regard to the valuation process and the methodology adopted. The Counter Signatory is satisfied that there is a reasonable basis for the valuation process undertaken and the methodology adopted by the prime signatory Valuer.*

Loxton Orchard Various Properties, Loxton SA 5333

File Reference: 763582

June 2025

Page 42

**RSM Corporate Australia Pty Ltd**

Level 27, 120 Collins Street

Melbourne

VIC 3000

Australia

**T** +61 (03) 9286 8000

**F** +61 (03) 9286 8199

[rsm.com.au](http://rsm.com.au)

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, 2nd Floor, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

Liability limited by a scheme approved under professional standards legislation

## **Annexure B - Independent Expert's Report (Resolution 6)**

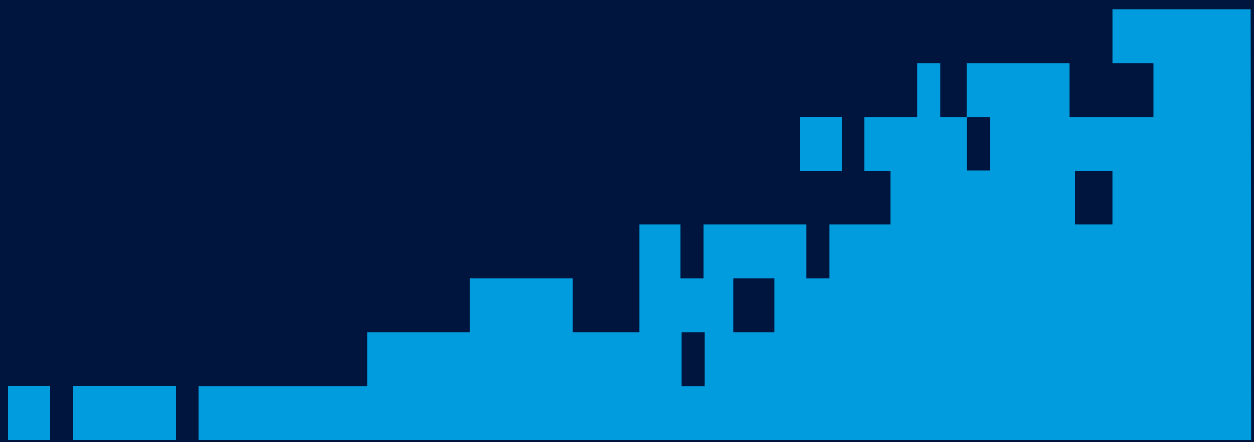
# Duxton Farms Limited

## Financial Services Guide and Independent Expert's Report

01 August 2025

### Conclusion

**In our opinion, the Proposed Transaction is fair and reasonable for the Non-Associated Shareholders of Duxton Farms Limited.**



# Financial Services Guide

01 August 2025

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“**RSM**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence (“**AFSL**”), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

## Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

## General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

## Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Duxton Farms Limited will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.



## Remuneration or other benefits received by our employees

All our employees receive a salary.

## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to external dispute resolution Proposed Transaction

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution Proposed Transaction that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

01 August 2025

The Non-Associated Shareholders  
Duxton Farms Limited  
7 Pomona Road  
Stirling SA 5152

Dear Non-Associated Shareholders,

## Independent Expert's Report

### Introduction

This Independent Expert's Report (the "**Report**" or "**IER**") has been prepared to accompany the Notice of Extraordinary General Meeting and Explanatory Statement ("**Notice**" or "**NoM**") to be provided to shareholders for a General Meeting of Duxton Farms Limited ("**DBF**" or "**Duxton Farms**" or "**the Company**") to be held on or around 22 September 2025, at which shareholder approval will be sought for (among other things) amendment of the terms of the investment management agreement ("**Investment Management Agreement**" or "**IMA**" and following amendment the "**Amended IMA**") between Duxton Farms, Duxton Capital (Australia) Pty Limited ("**Duxton Capital**" or the "**Investment Manager**") and Duxton Capital Services Pty Ltd ("**Duxton Capital Services**" or "**DCS**"), as set out in Resolution 6 of the NoM, an extract of which is detailed below (the "**Proposed Transaction**").

#### **Resolution 6 – Approval to amend the Investment Management Agreement**

*To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:*

*"That for the purposes of Listing Rules 10.1, section 208 of the Corporations Act, the Undertaking and for all other purposes, approval is given for Duxton Farms to amend the terms of the investment management agreement between Duxton Farms and the Investment Manager dated 7 November 2017 as amended by the Amendment Deed dated 12 January 2018 on the terms referred to in the Explanatory Memorandum."*

A more detailed discussion of the Proposed Transaction is set out in **Section 1** of this report.

### Purpose of the report

The Company is seeking shareholder approval for amendments to be made to the Investment Management Agreement between Duxton Farms, the Investment Manager and Duxton Capital Services. The Investment Manager is controlled by Ed Peter, a director of Duxton Farms, and is therefore a related party of Duxton Farms.

Shareholder approval for the Proposed Transaction is required under section 208 of the Corporations Act 2001 (the "**Act**"), as the amendment to the IMA constitutes the giving of a financial benefit to a related party as defined within the Act. Additionally, under ASX Listing Rule 10.1, an independent expert's report is required to accompany the NoM.

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd, being independent and qualified for the purpose, express an opinion as to whether the Proposed Transaction is fair and reasonable to shareholders not associated with the Proposed Transaction ("**Non-Associated Shareholders**").

The request for approval of the Proposed Transaction is included as Resolution 6 in the Notice. Resolution 6 is not subject to the approval of the other resolutions in the Notice (Resolution 1 to 5 inclusive).

The ultimate decision whether to approve the Proposed Transaction should be based on each Non-Associated Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Non-Associated Shareholders should seek independent professional advice.

### THE POWER OF BEING UNDERSTOOD

#### AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

## Summary of opinion

In our opinion, and for the reasons set out in **Section 6** and 7 of this report, the Proposed Transaction is **fair** and **reasonable** for the Shareholders of DBF.

## Approach

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to a related party or relevant substantial shareholder or any of its associates without the approval of holders of the entity's ordinary securities.

An asset is considered substantial "if its value; or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX".

ASX Listing Rule 10.5.10 sets out the requirement for the inclusion of an independent expert's report opining on whether the transaction is fair and reasonable.

In assessing the fair and reasonableness of the Proposed Transaction, we have had regard to RG 111.

RG 111 primarily focuses on control transactions. We do not consider the transaction to be a control transaction and have accordingly had regard to RG 111.35 – RG 111.40 in assessing the Proposed Transaction. Whilst this guidance primarily relates to demergers and demutualisations, we consider it to be the most relevant guidance for the purposes of the IER as it discusses providing an opinion as to whether the advantages of a particular transaction outweigh the disadvantages.

Accordingly, we have considered the Proposed Transaction on the following basis:

- Whether the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders; and
- Whether the amendments to the Investment Management Agreement are on arm's length terms.

There is no specific legal definition of what constitutes an advantage or a disadvantage, nor is there a definitive legal or regulatory definition of the methodology to be adopted to assess each advantage and disadvantage relative to each other. The requirements involve judgement on the part of the expert as to the overall commercial effect of the Proposed Transaction. The expert must weigh up the advantages and disadvantages of the Proposed Transaction and form an overall view as to whether the advantages of the Proposed Transaction outweigh the disadvantages.

Pursuant to section 208 of the Act, the giving of a financial benefit to a related party does not require shareholder approval if it is given on reasonable arm's length terms. While the Act does not define 'arm's length', ASIC RG 76 *Related Party Transactions* refers to case law which applies the phrase as it appears in taxation and other legislation. *ASIC vs Australian Investors Forum* indicates that, in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- The parties to the transaction were unrelated in any way (for example, financially, or through ties of family, affection or dependence);
- The parties were free from any undue influence, control or pressure;
- Through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- Each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

In forming our view as to whether the terms of the Amended IMA are at an arm's length, we have considered those matters stated above, had regard to broadly comparable fund management arrangements and considered other matters relevant to the proposed arrangement.

Further information of the approach we have employed in assessing whether the Proposed Transaction is fair and reasonable is set out at **Section 6** of this Report.

## Do the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders

In considering the advantages and disadvantages of the Proposed Transaction, we have considered a range of key matters including the matters set out in **Section 6**. We set out below a summary of our assessment of the advantages and disadvantages to Non-Associated Shareholders.

Advantages	Explanation
Continuity of strategy and key executive	The Amended IMA ensures that Duxton Farms will continue its core business and investment strategy with the support of Duxton Capital. It also introduces a formal requirement for a COO as a "Key Person" with Duxton Farms involved in recruitment, performance management, and removal, supporting continuity and quality of management.
Removal of performance fee	The Amended IMA removes the performance fee component, which is intended to deliver a more predictable cost structure for Duxton Farms. This change is designed to reduce the risk of short-term or high-risk investment decision-making by Duxton Capital that can arise when compensation is tied to near-term performance.
Revised management fee structure	While the base management fee increases from 0.85% to 1.25% of NAV, the fee structure is simplified and no longer includes a performance fee. The management fee remains calculated on NAV, which is intended to ensure transparency and alignment with shareholder interests.
Revised termination fee	The termination fee formula is revised. Under the Amended IMA, if terminated by Duxton Farms during the initial term (and not for cause), the fee is 1.5 times the average annual management fee paid over the three immediately prior 12-month periods, multiplied by the number of months remaining in the term divided by 12. This replaces the previous 5% of Portfolio Net Asset Value ("PNAV") formula.
Clearer IP and branding terms	The Amended IMA provides expanded and clearer provisions regarding intellectual property and branding. Duxton Farms is granted a licence to use certain intellectual property and branding during and after the agreement, reducing the risk of disputes or misuse of assets developed during the term that the Amended IMA is in place.
Refined scope of services	The Amended IMA narrows Duxton Capital's responsibilities to focus on investment strategy and business development. Non-management services (such as accounting and administration) will be internalised by Duxton Farms, which is expected to reduce related party arrangements and allow the Company to build a more specialised internal team.

Disadvantages	Explanation
Potential sell down pressure	Shareholders who oppose the amendments to the IMA may choose to sell their shares. If a significant number of such sales occur and the market does not absorb them, this may place downward pressure on the share price.
Increased base management fee	The base management fee will increase from 0.85% to 1.25% of NAV. This may increase costs for Duxton Farms, particularly during periods of underperformance, as the fee remains payable even when returns to shareholders are flat or negative.
Removal of performance-based incentives	The removal of the performance fee eliminates a direct incentive for Duxton Capital to exceed performance benchmarks and deliver a high-level of returns.
Reduced scope of the Investment Manager's responsibilities	While the Amended IMA focusses Duxton Capital on core investment functions, transferring responsibility for administrative and accounting functions away from Duxton Capital could create coordination or integration risks, especially if the internalisation process does not proceed as planned.

On the basis of the matters set out above, we consider that the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders.

While we have formed a view that the revised fee structure is appropriate and beneficial in the context of Duxton Farms' strategic objectives, we acknowledge that some shareholders may prefer a model that retains performance-based incentives. The shift to a known fixed fee structure may appeal to those seeking cost certainty, but others may view it as a reduction in alignment between manager performance and shareholder returns.

## Are the amendments to the Investment Management Agreement on an arm's length basis?

In considering whether the Proposed Transaction is on an arm's length basis, we have considered a range of key considerations including the considerations set out in **Section 7**. We set out a summary of our assessment of the considerations to Non-Associated Shareholders.

Consideration	Discussion
Negotiation of the Amended IMA	<p>We understand that the Amended IMA has been extensively negotiated and DBF and Duxton Capital have each been independently advised on the terms of the Amended IMA by external advisors.</p> <p>We note that the negotiated terms of the Amended IMA were reviewed and approved by the Independent Directors.</p>
Management fee	<p>As set out in <b>Section 5</b> of this Report, if the Proposed Transaction is implemented, DBF will be required to pay Duxton Capital a monthly management fee equal to 1.25% per annum (plus GST) of the total NAV at the end of each month.</p> <p>We note that the NAV basis under the Amended IMA includes adjustments not captured under PNAV, such as market value of water entitlements and deferred tax assets. This broader valuation base may result in higher fee calculations compared to the PNAV basis under the current IMA and should be considered when assessing the reasonableness of the 1.25% fee.</p> <p>In determining whether the management fee is on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that management fees in comparable management agreements range between 0.60% and 1.95% per annum based on varying underlying values, including PNAV and gross asset value.</p> <p>We note that differences exist between the Amended IMA and the comparable management agreements set out in <b>Appendix E</b>, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the management fee payable by DBF under the Amended IMA is broadly in line with the management fees included in the comparable management agreements, noting that the different fee bases of the Amended IMA and the comparable management agreements could result in material differences in management fees calculated for the same portfolio.</p>
Performance fee	<p>We note that the Investment Manager has agreed to forego performance fees as contemplated in the current IMA.</p> <p>Despite no performance fee being payable under the Amended IMA if the Proposed Transaction is implemented, for completeness, we have considered performance fees in comparable management agreements.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that performance fees in comparable agreements range between 0.4% to 17.5% (above defined and benchmarked performance) and are based on varying benchmarks and underlying values, which include (but are not limited to) measures such as IRRs, a percentage of the gross value of portfolio assets and 'high water marks'.</p> <p>We note that differences exist between the Amended IMA and comparable management agreements set out in <b>Appendix E</b>, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the lack of performance fee in the Amended IMA represents terms which are no more favourable to Duxton Capital than the terms of the comparable management agreements.</p>
Transactions with related parties	<p>The Amended IMA requires Duxton Farms' consent via ordinary board resolution to acquire assets from, or dispose of assets to, an associate of Duxton Capital. The Amended IMA defines Related Parties in accordance with the Act, which for the purposes of the Proposed Transaction may include, amongst other parties, the directors of Duxton Capital, the directors of Duxton Farms.</p> <p>In our view, this mechanism represents an additional step in the approval process required prior to Duxton Capital investing in any parties related to Duxton Farms, or any other similar dealings with other related parties. The mechanism may assist under the Amended IMA to mitigate additional risks inherent in related party transactions.</p>

Term of agreement	<p>The Amended IMA has an initial term until 1 January 2031 and, subject to shareholder approval, a first renewal term of five years unless terminated in accordance with the specified clauses.</p> <p>In determining whether the term of the Amended IMA is on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that the terms range from 5 years to 80 years. The median term of the comparable management agreements is 13.5 years.</p> <p>We note that differences exist between the Amended IMA and comparable management agreements set out in Appendix E, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the term of the Amended IMA is relatively consistent with the term of agreements in the comparable management agreements.</p>
Cancellation terms	<p>The cancellation terms of the Amended IMA are set out in <b>Section 5</b>.</p> <p>In determining whether the cancellation terms are on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>While the cancellation terms of the majority of the comparable management agreements are not public information, we note that those that we were able to analyse were on the basis of either mutual agreement or with six months' written notice.</p> <p>With reference to the above, in our view, the cancellation terms under the Amended IMA is relatively consistent with the cancellation terms in the comparable management agreements.</p>

In our opinion, after considering the terms of the Amended IMA and other matters, it is our view that, in the absence of any other information, the terms of the Amended IMA are at arm's length.

## Future Prospects of Duxton Farms if the Proposed Transaction Does Not Proceed

Position of Shareholders	Explanation
Continue operating under the existing IMA	<p>If the Proposed Transaction is not approved, Duxton Farms will continue to operate under the existing IMA with Duxton Capital. The current terms, including the management fee, performance fee, termination provisions, and scope of services, will remain in effect. Non-management services such as accounting and administration will continue to be provided by the Duxton Capital as per the existing arrangement.</p>
Pursuit of other investment management agreement proposals	<p>If the Proposed Transaction is not implemented, the DBF board may receive other proposals to provide new management services to DBF. However, if the Proposed Transaction is not implemented, other potential proposals may be considered by the DBF board as an alternative.</p> <p>We note that there have been no alternative proposals received by the Company at the date of this Report.</p> <p>For completeness, we note that any alternative management proposal would be subject to negotiations between DBF and Duxton Capital on the terms that Duxton Capital would be willing to agree to termination of the existing management agreement.</p>

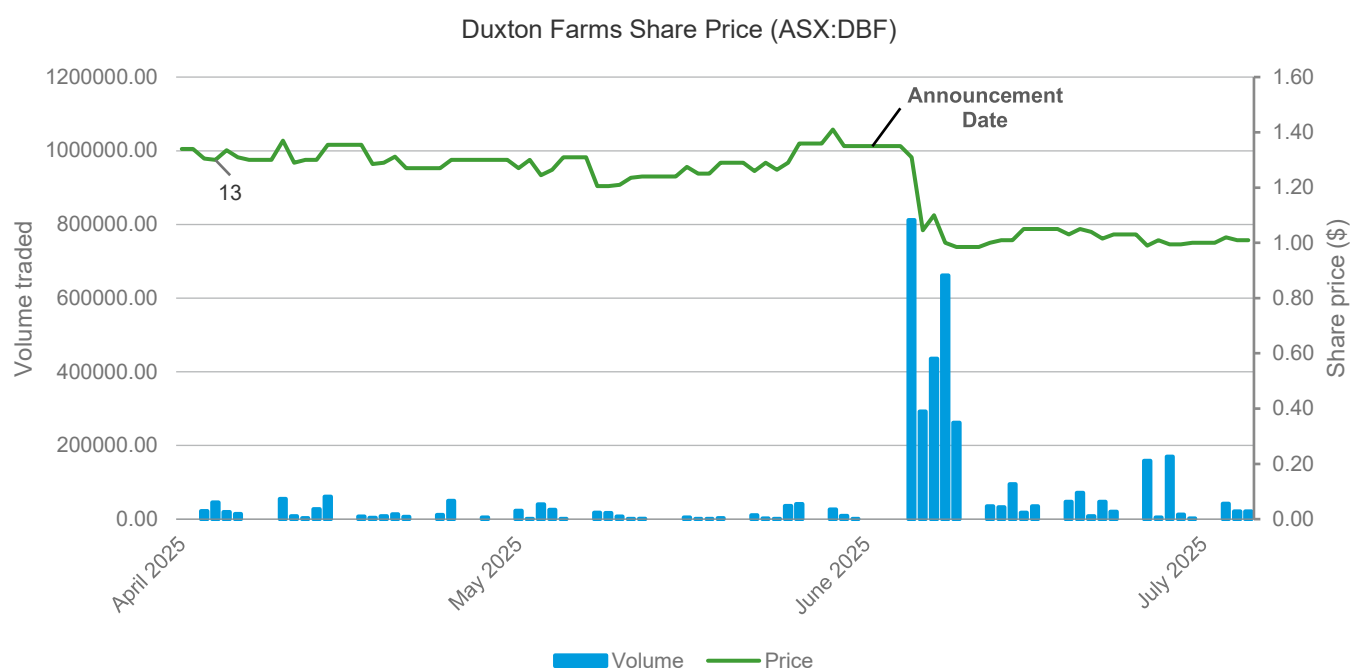
## Response of the market to the announcement of the Proposed Transaction

The Company's 30-day VWAP of \$1.10 post the announcement of the Proposed Transaction was less than the 30-day VWAP of \$1.29 pre the announcement.

We note that the announcement was bundled with a broader strategic update, making it difficult to isolate the market's response to the Proposed Transaction. Additionally, the Company announced that it was going ex-dividend around the same time, which likely contributed to the observed share price decline. Notwithstanding the relatively low liquidity of the Company's shares, it is possible that the market has reacted unfavourably to the announcement of the Proposed Transaction.

A graph of the closing share price in the two months prior to and one month post the announcement is shown below.

**Figure 1 Duxton Farms share price pre- and post-announcement.**



Source: RSM analysis

## Alternative proposals to the Proposed Transaction

We are unaware of any alternative proposal at the current time which might be of a greater benefit to the Non-Associated Shareholders than the Proposed Transaction.

If the Proposed Transaction is not implemented, Duxton Farms will continue to operate under the existing IMA with Duxton Capital. However, the Board of Duxton Farms retains the ability to consider alternative proposals for investment management services in the future. Any such alternative proposal would require shareholder approval if it involved a material change to the management arrangements.

## General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Non-Associated Shareholders.

The ultimate decision whether to approve the Proposed Transaction should be based on each of the Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations of future market conditions.

Non-Associated Shareholders should read and have regard to the contents of the NoM issued by Duxton Farms.

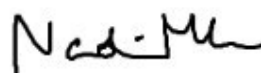
Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Proposed Transaction and the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

**RSM CORPORATE AUSTRALIA PTY LTD**



Andrew Clifford  
**Partner – Corporate Finance**



Nadine Marke  
**Partner – Corporate Finance**



## Contents

Financial Services Guide.....	2
Independent Expert's Report.....	4
1. Summary of the Proposed Transaction.....	12
2. Scope of the Report.....	14
3. Profile of DBF.....	16
4. Profile of Duxton Capital .....	25
5. Summary of Investment Management Agreement.....	26
6. Assessment of the Proposed Transaction's advantages and disadvantages .....	29
7. Arm's length assessment.....	34
A. Declarations and Disclaimers.....	37
B. Sources of Information .....	38
C. Glossary of Terms and Abbreviations .....	39
D. Industry Overview .....	41
E. Comparable management agreements.....	43

# 1. Summary of the Proposed Transaction

## 1.1 Overview of the proposed transaction

The Proposed Transaction involves amending the existing IMA between Duxton Farms and Duxton Capital. The Amended IMA will replace the current agreement, subject to shareholder approval, and is part of a broader internalisation and governance update for Duxton Farms. The amendments are intended to modernise the management arrangements, refine the scope of services, and align the fee structure and governance with current market practice and the company's strategic objectives. The Amended IMA will take effect from the date of shareholder approval and will set the terms for the ongoing relationship between Duxton Farms and Duxton Capital, including the management of the Company's agricultural investment portfolio and the internalisation of non-management services.

The key terms of the Proposed Transaction are:

- **Term:** The Amended IMA will run until 1 January 2031, with an option for Duxton Farms to renew for a further five years, subject to shareholder approval.
- **Management Fee:** The base management fee will be 1.25% per annum (plus GST) of Net Asset Value ("**NAV**"), calculated and paid monthly in arrears.
- **Performance Fee:** The performance fee that exists under the current IMA will be removed.
- **Termination Fee:** If the agreement is terminated by Duxton Farms during the initial term (and not for cause), the termination fee will be 1.5 times the average annual management fee paid over the three immediately prior 12-month periods, multiplied by the number of months remaining in the term divided by 12.
- **Scope of Services:** Duxton Capital's responsibilities will be focused on investment strategy and business development. Non-management services (such as accounting, administration, HR, and ESG) will be internalised by Duxton Farms and no longer provided by the Investment Manager.
- **Key Person Requirement:** The Amended IMA will introduce a formal requirement for a Chief Operating Officer ("**COO**") as a "Key Person," with Duxton Farms involved in recruitment, performance management, and removal.
- **Intellectual Property & Branding:** The Amended IMA will provide expanded and clearer provisions regarding intellectual property and branding, granting Duxton Farms a licence to use certain IP and branding during and after the agreement.
- **Change of Control:** Duxton Farms will have the right to terminate the IMA if there is a change of control of the Investment Manager without prior written consent.
- **Renewal:** After the initial term, the IMA may be renewed for a further five years, subject to shareholder approval.

## 1.2 Description of the key parties involved in the Proposed Transaction

Company	Description
Duxton Farms Limited	Duxton Farms is an Australian company listed on the ASX. The Company's business involves generating income streams and capital appreciation through managing a portfolio of broadacre farms and investing in additional farm assets in Australia. Duxton Farms is the principal entity proposing to amend its existing IMA as part of the Proposed Transaction.
Duxton Capital (Australia) Pty Ltd	Duxton Capital is a proprietary company limited by shares, incorporated under the laws of South Australia. Duxton Capital holds an Australian Financial Services Licence (AFSL No. 450218) and is responsible for providing investment management services to Duxton Farms under the existing and proposed IMA. Duxton Capital is indirectly controlled by Ed Peter, a director of Duxton Farms.
Duxton Capital Services Pty Ltd	DCS is a related body corporate of Duxton Capital. DCS has historically provided certain non-management services (such as accounting and administration) to Duxton Farms under a separate services agreement. As part of the Proposed Transaction and the internalisation process, these services are intended to be transitioned to Duxton Farms.

### 1.3 Rationale for the Proposed Transaction

The rationale for the Proposed Transaction is to modernise and streamline the management arrangements between Duxton Farms and Duxton Capital by adopting the Amended IMA which better aligns with the Company's current strategy, governance expectations, and operational needs. The Amended IMA is designed to:

- Enhance alignment with shareholder interests by simplifying the fee structure, removing the performance fee, and focusing the Investment Manager's responsibilities on investment strategy and business development;
- Increase transparency and predictability of costs through a revised management fee and a new formula for the termination fee, providing greater clarity for shareholders;
- Support operational independence by internalising non-management services (such as accounting, administration, HR, and ESG), allowing Duxton Farms to build a dedicated internal team and reduce reliance on related party arrangements;
- Strengthen governance by introducing a formal requirement for a COO, with Duxton Farms involved in recruitment and performance management;
- Clarify intellectual property and branding rights to reduce the risk of disputes and ensure continued access to key business assets; and
- Provide flexibility for future growth by updating the term, renewal, and termination provisions to reflect current best practice and the evolving needs of the business.

## 2. Scope of the Report

### 2.1 Purpose of this Report

#### ASX Listing Rule 10.1

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a substantial shareholder, a related party or any of its associates without the approval of holders of the entity's ordinary securities. A related party could be a director of the Company.

An asset is considered substantial "if its value, or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is 5% or more of the equity interest of the entity as set out in the latest financial statements given to the ASX".

ASX Listing Rule 10.10 states that the notice for the shareholders' meeting required under ASX Listing Rule 10.5 must include a report on the transaction from an independent expert. The report must state whether, in the expert's opinion, the transaction is fair and reasonable to the Non-Associated Shareholders.

#### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 governs transactions involving the provision of financial benefits to related parties by public companies. Under section 208 of the Act, a public company must obtain shareholder approval before giving a financial benefit to a related party, unless an exception applies. A related party includes a director of the company, and a financial benefit may include amendments to contractual arrangements such as investment management agreements.

In this case, the Investment Manager is controlled by Ed Peter, a director of Duxton Farms, and is therefore a related party of the Company. The proposed amendments to the Investment Management Agreement between Duxton Farms, the Investment Manager, and Duxton Capital Services constitute the giving of a financial benefit to a related party. Accordingly, Duxton Farms is required to seek shareholder approval for the Proposed Transaction under Chapter 2E of the Corporations Act 2001.

Accordingly, Duxton Farms is to hold a meeting of its Shareholders where it will seek approval for the Proposed Transaction for the purposes of ASX Listing Rule 10.1 and section 208 of the Corporations Act 2001. The Company has engaged RSM Corporate Australia Pty Ltd to prepare an independent expert's report to accompany the Notice of Meeting, setting out our opinion as to whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders.

### 2.2 Basis of evaluation

ASX Listing Rule 10.5.10 sets out the requirement for the inclusion of an independent expert's report opining on whether the transaction is fair and reasonable.

In assessing the fairness and reasonableness of the Proposed Transaction, we have had regard to RG 111.

RG 111 primarily focuses on control transactions. We do not consider the transaction to be a control transaction and have accordingly had regard to RG 111.35 – RG 111.40 in assessing the Proposed Transaction. Whilst this guidance primarily relates to demergers and demutualisations, we consider it to be the most relevant guidance for the purposes of the IER as it discusses providing an opinion as to whether the advantages of a particular transaction outweigh the disadvantages.

Accordingly, we have considered the Proposed Transaction on the following basis:

- whether the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders; and
- whether the amendments to the Investment Management Agreement are on arm's length terms.

In assessing the fair and reasonableness of the Proposed Transaction, we have had regard to RG 111.

RG 111 primarily focuses on control transactions, however we do not consider the Proposed Transaction to be a control transaction. Accordingly, we have had regard to RG 111.35 – RG 111.40 in assessing the Proposed Transaction. Whilst this guidance primarily relates to demergers and demutualisations, we consider it to be the most relevant guidance for the purposes of the IER as it discusses providing an opinion as to whether the advantages of a particular transaction outweigh the disadvantages.

There is no specific legal definition of what constitutes an advantage or a disadvantage, nor is there a definitive legal or regulatory definition of the methodology to be adopted to assess each advantage and disadvantage relative to each other. The requirements involve judgement on the part of the expert as to the overall commercial effect of the Proposed Transaction. The expert must weigh up the advantages and disadvantages of the Proposed Transaction and form an overall view as to whether the advantages of the Proposed Transaction outweigh the disadvantages.

## 2.3 Key matters considered

### Relative advantages and disadvantages

In considering the whether the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders we have considered the proposed changes to the IMA including:

- Liquidity of DBF shares;
- Valuation policies;
- Fee arrangements;
- Non-management services;
- Term of the Amended IMA and early termination; and
- The likely position of the Shareholders if the Proposed Transaction is not implemented (refer to Section 6.2).

### Consideration of arm's length terms

Pursuant to section 208 of the Corporations Act, the giving of a financial benefit to a related party does not require shareholder approval if it is given on reasonable arm's length terms. While the Corporations Act does not define 'arm's length', ASIC RG 76 *Related Party Transactions* refers to case law which applies the phrase as it appears in taxation and other legislation. *ASIC vs Australian Investors Forum* indicates that, in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- The parties to the transaction were unrelated in any way (for example, financially, or through ties of family, affection or dependence);
- The parties were free from any undue influence, control or pressure;
- Through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- Each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

In forming our view as to whether the terms of the Amended IMA are at an arm's length, we have considered those matters stated above, had regard to broadly comparable fund management arrangements and considered other matters relevant to the Proposed Transaction.

## 3. Profile of DBF

### 3.1 Background

Duxton Farms is an Australian agricultural enterprise that directly invests in and operates a diversified portfolio of efficient, high-quality farmland assets. Duxton Farms has been operating as a listed entity since 2018, and was originally known as Duxton Broadacre Farms Limited, as the original portfolio focused specifically on dryland cereal production. From about 2018 to 2020 the Company focused on integrating livestock into its operation at Forbes (and acquiring or developing irrigated country to facilitate cotton cultivation, turning the aggregation into a mixed farming enterprise.

Duxton Farms' investment thesis is defined by the long-term growth in the global demand for agricultural commodities, which the business views as being driven by the convergence of two megatrends fundamental to the modern world as it is currently developing: the growth of the global population and rising incomes in emerging markets.

However, Duxton Farms believes these two factors will generate tailwinds for the global agricultural sector. As such, Duxton Farms invests primarily in Australian property.

Duxton Farms produces various commodities which are predominantly sold wholesale. The destination of sales varies depending on pricing at the time of harvest. Duxton Farms does not typically have any key recurring customers given that it sells its produce through whatever channel is deemed to be the most profitable at the time of sale.

Duxton Farms currently has 16 full-time employees, with separate teams at Piambie, its New South Wales aggregation, and Mountain Valley Station. Additionally, the business employs a number of seasonal contractors.

### 3.2 Properties

The properties owned by Duxton Farms are summarised in the table below.

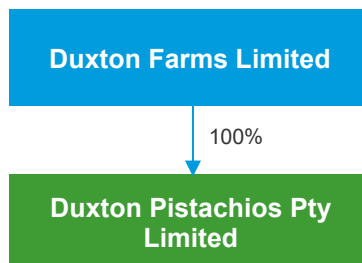
**Table 1 Duxton Farms properties**

Property	Detail	Agricultural products
<b>NSW Aggregation (Forbes)</b>		
Walla Wallah	Total area (Ha): 1,400 Dryland cropping (Ha): 411 Irrigated cropping (Ha): 939	Wheat, barley, canola and cotton
Cowaribin	Total area (Ha): 940 Dryland cropping (Ha): 594 Irrigated cropping (Ha): 281	Livestock and fodder
Merriment	Total area (Ha): 535 Dryland cropping (Ha): 148 Irrigated cropping (Ha): 367	Livestock and fodder
Yarranlea	Total area (Ha): 2,184 Dryland cropping (Ha): 1,394 Irrigated cropping (Ha): 560	Wheat, barley, canola and cotton
West Plains	Total area (Ha): 3,900 Dryland cropping (Ha): 3,155 Irrigated cropping (Ha): 639	Wheat, barley, canola and cotton
Water entitlements	Water entitlements across the NSW aggregation: Owned: 10,174ML Leased: 6,798 ML	
<b>Victoria</b>		
Piambie	Total area (Ha): 1,185 Irrigated cropping (Ha): 617 Pistachios (Ha): 297	Pistachio plantation under development
<b>Northern Territory</b>		
NT Portion 8554	Total area (Ha): 2,386 Horticultural development land (Ha): 665	Horticultural development site Currently 33 Ha of Kakadu plums and small portion of cashews.
Mountain Valley (Leased)	Total area (Ha): 141,000	Grazing with cropping areas under development
Wildman (Leased)	Total area (Ha): 23,802 Grazing (Ha): 18,077 Cropping under development (Ha): 8,000	Grazing, with circa 500 head capacity, cropping areas under development
Water entitlements	The Wildman property has a water portfolio of 8,026ML	

### 3.3 Legal structure

The current legal structure of Duxton Farms (excluding minority and associate investments) is shown in the figure below.

**Figure 2 Duxton Farms legal structure**



Source: Management

### 3.4 Directors and management

The directors and key management of DBF are summarised in the table below.

**Table 2 DBF key management personnel**

Name & Title	Experience
Edouard Peter, Executive Chairman	Edouard Peter is the Group Chairman of Duxton Capital Australia and Duxton Asset Management, with a distinguished career in global finance and investment. Before founding Duxton in 2009, he held senior roles at Deutsche Bank, including Head of Deutsche Asset Management Asia Pacific and Head of Global Equities for Asia and Australia. Starting his career in Swiss equity sales in 1986, Ed rose to Managing Director at S.G. Warburg, overseeing international Swiss equities and derivatives. He holds a BA in English Literature from Carleton College. Beyond finance, Ed is a seasoned investor in agriculture and hospitality, known for developing premium dining venues in South Australia and owning award-winning wine enterprises. He also serves on the University of Adelaide's Agribusiness and Wine advisory board.
Stephen Duerden, Non-Executive Director	Stephen Duerden is the CEO of Duxton Capital (Australia) Pty Ltd, bringing 29 years of investment management experience, including 14 years directly in Australian agriculture. A founding member of the Duxton Group since 2009, he previously held senior roles at Deutsche Bank Asset Management Asia, including COO and Director of Complex Assets and the Singapore operation. In Australia, he was part of Deutsche's Executive Committee, overseeing A\$20 billion in assets and serving on the Private Equity Investment Committee. Stephen has worked across diverse financial sectors, including property, REITs, traditional asset portfolios, and agricultural operations. He currently serves on the boards of several Duxton-managed funds and two listed agricultural companies. He holds a Bachelor of Commerce from UNSW, a Graduate Diploma in Applied Finance, and is a Fellow of the Financial Services Institute of Australasia, a CPA, and a Member of the Australian Institute of Company Directors.
Mark Harvey, Independent Non-Executive Director	Mark Harvey has more than 40 years of experience in agriculture and agribusiness. Mark was one of the founders of Paramount Seeds which specialised in research, development and marketing of new field crop, was a founding partner of Seed Genetics, and in April 2013 was appointed director of S&W Seed Co.
Wade Dabinett, Independent Non-Executive Director	Wade Dabinett has over 15 years of experience in the Australian grain industry, encompasses grain trading, storage, handling and production. He is Chairman of Grain Producers SA, and Chair of GPSA's sub-committees for Transport & Supply Chain, Agricultural Security & Priority. Wade is also a councillor representing Grains on Primary Producers SA.
Paul Burke, Independent Non-Executive Director	Paul Burke brings over 15 years of management experience across a number of sectors, having recently served as CEO of the NT Farmers Association and the Director of Infrastructure Assets and Major Projects in the NT Department of Primary Industries and Resources. Paul brings a wealth of knowledge to the Board and is particularly well-acquainted with the business and regulator environment in the NT.
Rachel Triggs, Independent Non-Executive Director	Rachel Triggs is an experienced senior executive and governance professional with over 20 years of experience in the Australian grape and wine sector. Rachel is a qualified winemaker and lawyer having held senior roles within Wine Australia, including as General Counsel and Head of Market Access. Before joining Wine Australia, Rachel worked as a corporate lawyer specialising in wine law.
Katelyn Adams, Company Secretary	Katelyn Adams has over 15 years of accounting and company secretarial experience, servicing predominantly ASX listed companies. Katelyn has extensive knowledge in company secretarial duties, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting knowledge.

<p>Bryan Goldsmith, General Manager</p>	<p>Bryan has over 30 years of agricultural experience spent principally in the management of large-scale corporate cotton and broadacre farms. He has developed a significant level of agricultural experience from the ground up having started from an operational base and moved into management as a working Farm Manager. In his previous role with Twynam Agricultural Group, Bryan served as General Manager in which he oversaw the management of cattle, citrus assets (juicing), and dryland and irrigated cropping enterprises spanning over 40,000 hectares.</p>
<p>Andrew Garland, Operations Manager</p>	<p>Mr Garland is the Operations Manager for Duxton Farms. Mr Garland is responsible for chemical and fertiliser procurement, coordinates harvest and sowing, the arrangement of external contractors, and logistics of on-farm equipment including trucking logistics across the Forbes aggregation. He also fulfils the daily operations of a Farm Manager for the Forbes properties.</p>

Source: [duxtonfarms.com](http://duxtonfarms.com)



### 3.5 Financial information

The information in the following section provides a summary of the financial performance of DBF for the financial years ended 30 June 2022 ("FY22"), 30 June 2023 ("FY23"), 30 June 2024 ("FY24"), the six-month period ended 31 December 2024 ("1HY25") (collectively the "Historical Period"), extracted from the audited financial statements of DBF and reviewed half year report of DBF.

The auditors of DBF, Grant Thornton Audit Pty Limited, provided an unqualified opinion in relation to the financial statements as at 30 June 2024.

### 3.6 Financial performance

The following table sets out a summary of the financial performance of DBF for Historical Period.

**Table 3 DBF historical financial performance**

Duxton Farms	FY22	FY23	FY24	1HY25
Financial performance (\$'000)	Audited	Audited	Audited	Reviewed
Sales	16,644	7,296	24,076	11,508
Cost of sales	(15,969)	(5,240)	(1,964)	(14,733)
Biological transformation (crops and livestock)	3,404	(7,911)	(11,127)	4,962
<b>Gross profit</b>	<b>4,079</b>	<b>(5,855)</b>	<b>10,985</b>	<b>1,737</b>
<b>GP margin %</b>	<b>24.5%</b>	<b>-80.2%</b>	<b>45.6%</b>	<b>15.1%</b>
Other income	664	1,531	13,291	625
<b>Operating expenses</b>				
Operational expenses	(2,584)	(3,789)	(5,130)	(2,339)
Management, performance and accounting services	(3,535)	(1,356)	(2,189)	-
Administration expenses	(1,894)	(1,767)	(3,006)	(2,374)
Share of associate loss (equity method)	-	-	-	(35)
Gain on bargain purchase	-	1,227	-	-
<b>Total operating expenses</b>	<b>(8,013)</b>	<b>(5,685)</b>	<b>(10,325)</b>	<b>(4,748)</b>
<b>EBITDA</b>	<b>(3,270)</b>	<b>(10,009)</b>	<b>13,951</b>	<b>(2,386)</b>
<b>EBITDA margin %</b>	<b>-19.6%</b>	<b>-137.2%</b>	<b>57.9%</b>	<b>-20.7%</b>
Depreciation and amortisation	(973)	(1,375)	(1,910)	(985)
Reversal of impairment	971	5	(150)	-
<b>EBIT</b>	<b>(3,272)</b>	<b>(11,379)</b>	<b>11,891</b>	<b>(3,371)</b>
<b>EBIT margin %</b>	<b>-19.7%</b>	<b>-156.0%</b>	<b>49.4%</b>	<b>-29.3%</b>
Interest income	-	1	43	-
Interest expense	(913)	(2,099)	(5,024)	(761)
<b>NPBT</b>	<b>(4,185)</b>	<b>(13,477)</b>	<b>6,910</b>	<b>(4,132)</b>
<b>NPBT margin %</b>	<b>-25.1%</b>	<b>-184.7%</b>	<b>28.7%</b>	<b>-35.9%</b>
Income tax	1,018	3,388	(1,717)	1,037
<b>NPAT</b>	<b>(3,167)</b>	<b>(10,089)</b>	<b>5,193</b>	<b>(3,095)</b>
<b>NPAT margin %</b>	<b>-19.0%</b>	<b>-138.3%</b>	<b>21.6%</b>	<b>-26.9%</b>
Net fair value gain on financial asset net of income tax	-	-	-	276
Valuation uplift on revaluation of other properties	25,567	10,959	10,462	-
<b>Total comprehensive income for the year</b>	<b>22,400</b>	<b>870</b>	<b>15,655</b>	<b>(2,819)</b>

Source: Audited and reviewed financial statements

We note the following in relation to DBF's historical financial performance:

- We note that the NPAT for FY24 was positively impacted by the gain on sale of the Timberscombe asset of \$11.3m including in other income. In the absence of this gain on sale, DBF would have incurred a net loss after tax of circa \$6.1m and total comprehensive income for the year of circa \$4.4m.
- The total comprehensive income includes the valuation uplift on the fair value of properties.

▪ **Revenue**

- DBF generated the majority of revenue from sales of wheat (32%), canola (20%), cotton (15%), cattle (13%) and barley (12%) over the Historical Period. The financial performance and cropping volumes of DBF is reliant upon seasonal weather conditions.
- DBF generated \$24.1m of revenue in FY24 due to positive operating conditions at the NSW aggregation with a strong winter cropping season. We note that DBF divested a third of its dryland arable land area in June 2024. Accordingly, irrigated crop production such as cotton, is expected to increase as a proportion of cropping income into the future. We note that revenue generated from cotton of \$4.8m for 1HY25 compared to Nil for 1HY24.
- FY22 and, particularly FY23 revenue was adversely affected by severe flooding events. The winter crop in FY23 was almost 80% less than that produced in FY22.

▪ **Other income**

- Other income in FY24 included a gain on sale of assets of \$11.3m, primarily in relation to the divestment of the Timberscombe asset.

▪ **Expenses**

- Management, performance and accounting services represents charges from Duxton Capital. In FY24, Duxton Capital charged a management fee of \$1.2m and a performance fee of \$757k under the IMA.
- The gain on bargain purchase disclosed in FY23 was in relation to the purchase of the business of Mountain Valley Station in the Northern Territory in December 2022.

### 3.7 Financial position

The table below sets out a summary of the financial position of Duxton Farms as at 30 June 2023, 30 June 2024, and 31 December 2024.

**Table 4 DBF historical financial position**

Duxton Farms	30-Jun-23	30-Jun-24	31-Dec-24
Financial position (\$'000)	Audited	Audited	Reviewed
<b>Current assets</b>			
Cash and cash equivalents	13	28,619	2,584
Trade and other receivables	462	542	231
Biological assets	12,695	11,673	10,701
Inventory	2,043	6,678	5,303
Other assets	330	524	575
Sale of non-current assets	-	-	38,845
<b>Total current assets</b>	<b>15,543</b>	<b>48,036</b>	<b>58,239</b>
<b>Non-current assets</b>			
Property, plant and equipment	155,853	126,715	90,574
Investments	1,756	4,091	5,550
Financial assets	-	-	5,080
Intangible assets	8,221	8,463	8,463
Right of use	2,206	1,706	1,457
<b>Total non-current assets</b>	<b>168,036</b>	<b>140,975</b>	<b>111,124</b>
<b>Total assets</b>	<b>183,579</b>	<b>189,011</b>	<b>169,363</b>
<b>Current liabilities</b>			
Overdrafts	(11,489)	-	-
Trade and other payables	(2,259)	(7,350)	(2,589)
Lease liabilities	(465)	(488)	(500)
Borrowings	(736)	(918)	(939)
Employee benefits	(530)	(529)	(548)
Tax liabilities	-	(383)	(383)
<b>Total current liabilities</b>	<b>(15,479)</b>	<b>(9,668)</b>	<b>(4,959)</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities	(14,308)	(17,729)	(16,785)
Lease liabilities	(1,771)	(1,283)	(1,030)
Borrowings	(43,706)	(40,462)	(30,314)
Employee benefits	(7)	(11)	(8)
<b>Total non-current liabilities</b>	<b>(59,792)</b>	<b>(59,485)</b>	<b>(48,137)</b>
<b>Total liabilities</b>	<b>(75,271)</b>	<b>(69,153)</b>	<b>(53,096)</b>
<b>Net assets</b>	<b>108,308</b>	<b>119,858</b>	<b>116,267</b>
<b>Equity</b>			
Issued capital	71,702	71,770	70,998
Reserves	55,935	40,096	40,372
Accumulated profits/losses	(19,329)	7,992	4,897
<b>Total equity</b>	<b>108,308</b>	<b>119,858</b>	<b>116,267</b>

Source: Audited financial statements and management accounts

We note the following in relation to DBF's financial position:

- DBF disclosed net assets of \$116.3m and net tangible assets of \$107.8m as at 31 December 2024.
- Current assets include the following:

- Inventory primarily comprise consumables valued at cost, and crops on hand valued at their Fair Value less cost to sell (“FVLCTS”).
- Biological assets, comprising crops in the ground and livestock valued in accordance with AASB 141 – Agriculture.
- Sale of non-current assets of \$38.8m relates to DBF’s Kentucky property in NSW that was held for sale as at 31 December 2024. DBF announced on 9 April 2025 that the sale of the Kentucky property had settled for a sale price of \$38m, with \$500k of this amount withheld as a retention sum pending some final remediation work and soil testing.
- Non-current assets include the following:
  - Property plant and equipment comprising:
    - Land and buildings \$74.8m;
    - Plant and equipment \$8.5m; and
    - Work in progress \$7.3m.
  - Land and buildings that are held for use in the production or supply of goods or services, or for administrative purposes are valued at their Fair Value. Independent valuations in relation to land and buildings were last prepared as at 30 June 2024.
  - Investments in associates represent the investment in Duxton Bees of 23.32% as at 31 December 2024. On December 2024, DBF subscribed for 5.2m shares in Duxton Bees for a total consideration of \$4.0m which increased DBF’s interest in Duxton Bees from 8.7% to 23.3%. As at 30 June 2024, DBF’s 8.7% interest in Duxton Bees was disclosed as a financial asset.
  - As at 31 December 2024 financial assets primarily comprised DBF’s ownership interest in Duxton Dried Fruits held at Fair Value.
  - Intangible assets comprise water licences valued at the lower of cost and their FVLCTS.
- Liabilities include the following:
  - Borrowings comprising bank loans and equipment loans. As at 31 December 2024, DBF had an undrawn overdraft facility of \$8m and a \$40m bank loan maturing on 31 August 2026, of which \$29.0m had been drawn.
  - Deferred tax liabilities relate primarily to the property, plant and equipment.

### 3.8 Capital structure

At the date of this Report, Duxton Farms has 41,157,331 ordinary shares on issue. The top 20 shareholders of Duxton Farms as at the date of this Report are set out below.

**Table 5 DBF Top 20 Shareholders**

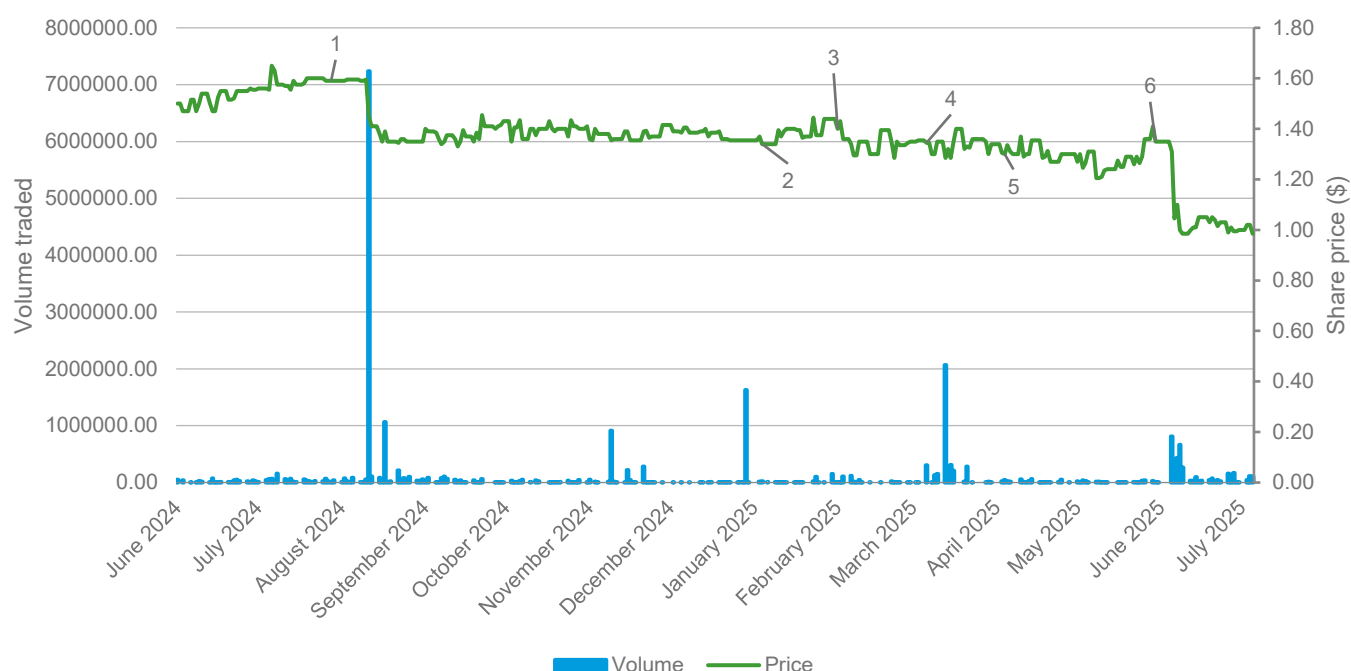
Duxton Farms Limited Shareholders	No. of shares	% shareholding
<b>Ordinary Shares</b>		
BNP PARIBAS NOMS PTY LTD	13,232,832	32.15%
CITICORP NOMINEES PTY LIMITED	12,943,747	31.45%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,469,192	3.57%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,140,188	2.77%
WARBONT NOMINEES PTY LTD <IJNPAID ENTREPOT A/C>	730,011	1.77%
DAVID HANDLEY NOMINEES PTY LTD <DAVID HANDLEY FAMILY A/C>	671,843	1.63%
CHAR PTY LTD <HANDLEY RETIREMENT A/C>	655,018	1.59%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	558,652	1.36%
BNP PARIBAS NOMINEES PTY LTD <HIJB24 CUSTODIAL SERV LTD>	487,487	1.18%
PERPETUAL CORPORATE TRUST LTD <AIF>	482,592	1.17%
UBS NOMINEES PTY LTD	365,000	0.89%
DUXTON CAPITAL INVESTMENTS PTY LTD	335,645	0.82%
CERTANE CT PTY LTD <BCI>	285,502	0.69%
ABBAWOOD NOMINEES PTY LTD <ABBOTT FAMILY S/F NO 1 A/C>	275,000	0.67%
MR EDOUARD FERNEN PETER	235,000	0.57%
MR GRANT DAVID JOPLING	232,500	0.56%
AV8RV PTY LTD <VEDIG SUPER A/C>	216,008	0.52%
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	203,688	0.49%
BOND STREET CUSTODIANS LIMITED <STODAV - 072799 A/C>	203,346	0.49%
CELLAR STOCKS PTY LTD <CELLAR INVESTMENT A/C>	200,000	0.49%
<b>Top 20 Shareholders</b>	<b>34,923,251</b>	<b>84.85%</b>
Other shareholders	6,234,080	15.15%
<b>Total</b>	<b>41,157,331</b>	<b>100.00%</b>

Source: Management

### 3.9 Share Price Performance

A summary of DBF's recent share price movement for the 12 months to 25 June 2025 is set out in the figure below.

**Figure 3 Historical share price performance of DBF**



Source: S&P Capital IQ

Over the period set out above, Duxton Shares traded at a low of \$0.99 to a high of \$1.65.

Significant announcements made over the period 14 April 2023 to 25 June 2025 are summarised in the table below.

**Table 6 DBF selected ASX announcements**

Ref	Date	Comment
1	29-Aug-24	Duxton Farms released its preliminary final report, announcing a profit after tax of \$5.2m for the year, with net profit attributable to the Company's owners up by 151.47%. Shareholders were also given the opportunity to participate in the Company's Dividend Reinvestment Plan, offering a 3% discount on the 5-day weighted average share price up to and including the record date.
2	31-Jan-25	Duxton Farms released its investment update, reiterating its strategy that shifts the focus from dryland cropping to broadening their exposure to Australian agriculture. As part of this strategy, the Company announced a new partnership with the Wildman Agricultural Precinct in the Northern Territory, facilitating their expansion into the region.
3	28-Feb-25	The Company released its half-yearly report and accounts, reporting a net loss after tax of over \$3.0m for the period. No dividends were distributed, and the net loss attributable to members decreased by 306% compared to the previous year.
4	27-Mar-25	Duxton Farms announced the \$38.0m sale of its 'Kentucky' property to Alkira Farms Inc., continuing its strategic shift away from dryland cropping. The sale supports the Company's move toward a more diversified agricultural portfolio, with proceeds intended for new investments, debt reduction, and potential shareholder returns.
5	30-Apr-25	Duxton Farms released its Q3 FY2025 Activities Report, announcing an operating cash flow deficit of \$2.2m for the quarter due to spending on the 2026 winter crop. The Company acquired a 2,386 ha property in the Northern Territory for \$10.3m and settled the sale of its "Kentucky" aggregation for \$38.0m.
6	26-Jun-25	Duxton Farms announced a strategic merger to acquire four private companies, expanding its portfolio to over 180,000 hectares and \$298.0m in gross assets. The merger includes a \$4.0m fully underwritten placement at \$1.25 per share and an 85% franked special dividend of \$0.24 per share. The Company also requested a trading halt pending the release of an announcement regarding a potential strategic transaction and capital raising.

Source: S&P Capital IQ and DBF ASX announcements

## 4. Profile of Duxton Capital

### 4.1 Background

Duxton Capital was founded in 2014 by former Deutsche Asset Management executives, including Edouard Peter and Stephen Duerden. The firm is headquartered in South Australia and focuses on alternative investments, particularly in agriculture, hospitality, and listed equities.

The firm's agricultural strategy centres on acquiring and operating large-scale farms, applying commercial farming practices, and integrating operations vertically and horizontally. This includes investments in water rights, storage infrastructure, and direct-to-market channels. Duxton manages assets such as Duxton Farms and Duxton Water, which reflect its emphasis on sustainable and scalable agribusiness models.

Beyond agriculture, Duxton Capital also manages listed equity portfolios and private investments across Asia and emerging markets. Its operations are designed to deliver long-term value through active management and sector-specific expertise, with a focus on income-generating assets and capital appreciation.

### 4.2 Directors and management

The directors and key management of Duxton Capital are summarised in the table below.

**Table 7 Duxton Capital key management personnel**

Name	Experience
Edouard Peter, Chairman	Edouard Peter is the Group Chairman of Duxton Capital Australia and Duxton Asset Management, with a distinguished career in global finance and investment. Before founding Duxton in 2009, he held senior roles at Deutsche Bank, including Head of Deutsche Asset Management Asia Pacific and Head of Global Equities for Asia and Australia. Starting his career in Swiss equity sales in 1986, Ed rose to Managing Director at S.G. Warburg, overseeing international Swiss equities and derivatives. He holds a BA in English Literature from Carleton College. Beyond finance, Ed is a seasoned investor in agriculture and hospitality, known for developing premium dining venues in South Australia and owning award-winning wine enterprises. He also serves on the University of Adelaide's Agribusiness and Wine advisory board.
Stephen Duerden, Group Chief Executive Officer (Australia)	Stephen Duerden is the CEO of Duxton Capital (Australia) Pty Ltd, bringing 29 years of investment management experience, including 14 years directly in Australian agriculture. A founding member of the Duxton Group since 2009, he previously held senior roles at Deutsche Bank Asset Management Asia, including COO and Director of Complex Assets and the Singapore operation. In Australia, he was part of Deutsche's Executive Committee, overseeing A\$20 billion in assets and serving on the Private Equity Investment Committee. Stephen has worked across diverse financial sectors, including property, REITs, traditional asset portfolios, and agricultural operations. He currently serves on the boards of several Duxton-managed funds and two listed agricultural companies. He holds a Bachelor of Commerce from UNSW, a Graduate Diploma in Applied Finance, and is a Fellow of the Financial Services Institute of Australasia, a CPA, and a Member of the Australian Institute of Company Directors.
Simon Stone, Chief Operations Officer	Dr. Simon Stone is the Group COO of Duxton, joining in July 2021 with a diverse background in senior management across banking, manufacturing, telecommunications, and IT. He has also been active in environmental management, serving on various government boards. From 2006 to 2015, he was a director and committee chair at Webster Ltd, helping transform it into a leading vertically integrated agricultural business. Simon played a pivotal role in the Australian aquaculture industry, notably as Managing Director of SAAM, the first company to breed and commercialise Yellowtail Kingfish, and advised on the listings of Western Kingfish and Clean Seas. His earlier career includes executive roles at Bank SA, Optus, and IBM. He holds a Bachelor of Science (Honours First Class) and a PhD in mathematical modelling and computer simulation of biological systems from the University of Adelaide.
Will Brennan, Chief Investment Officer	Will Brennan has been a part of the Duxton investment team for almost a decade, having joined the business in 2015. In his role as Chief Investment Officer he is responsible for oversight of the investment team, along with all aspects of the investment process from deal origination through to exit. During his tenure, Will has held senior roles in a number of public and private market investments, including as a Director of ACE Dairies, Merriment Rural Investments and Wyalong Rural Investments prior to realisation of these investments. Will holds a Bachelor of Laws and a Bachelor of Commerce (Accounting) from the University of Adelaide, is a Chartered Financial Analyst (CFA) Charterholder, and a Graduate of the Australian Institute of Company Directors (GAICD).

Source: Management

## 5. Summary of Investment Management Agreement

The table below sets out the key terms of current IMA and the Amended IMA.

**Table 8 Key terms of current IMA and Amended IMA**

Item	Current IMA	Amended IMA
Services	<p>The services to be provided to the Company by the Investment Manager Comprise:</p> <ul style="list-style-type: none"> <li><b>General Duties:</b> The Investment Manager is appointed to provide management services, including investment management and advisory services on a non-exclusive basis. The services include selection, determination, structuring, investment, reinvestment, leasing, and management of the assets.</li> <li><b>Investment Programme:</b> The Investment Manager will provide a continuous investment and re-investment programme for the investments, which includes seeking suitable investments, providing advice on raising new capital, and advising on ways to dispose of investments.</li> <li><b>Investment Research and Advice:</b> The Investment Manager will provide investment research and advice with respect to all investments (including cash equivalents) comprising the assets of the Company from time to time.</li> </ul>	<p>The Investment Manager will provide various services to DBF and each subsidiary of DBF in respect of which DBF has requested the Investment Manager to provide services under the IMA ("<b>Group Companies</b>"), including:</p> <ul style="list-style-type: none"> <li>preparing business plans and budgets;</li> <li>identifying suitable investments;</li> <li>maintaining oversight of assets and liabilities;</li> <li>reviewing strategic proposals;</li> <li>managing capital raising and exits;</li> <li>making board recommendations;</li> <li>monitoring hedging activities;</li> <li>engaging senior farm management;</li> <li>appointing third-party professionals; and</li> <li>ensuring compliance with investment guidelines.</li> </ul>
Term and renewal	<p>The agreement has an initial term of 10 years, automatically renewed for further five-year terms unless terminated by either party under specific conditions.</p>	<p>The agreement has an Initial Term until 1 January 2031 and, subject to shareholder approval, a First Renewed Term unless terminated in accordance with the specified clauses.</p>
Termination	<p>Termination by DBF can occur due to:</p> <ul style="list-style-type: none"> <li>material breach by the Investment Manager.</li> <li>insolvency of the Investment Manager.</li> <li>failure by the Investment Manager to maintain necessary authorisations or licences.</li> <li>other specified events including: <ul style="list-style-type: none"> <li>shareholder resolution passed by ordinary shareholders after the expiry of the initial term;</li> <li>as required by any applicable law, rule, regulation, authority or government body;</li> </ul> </li> </ul> <p>The Investment Manager has the right to terminate the agreement:</p> <ul style="list-style-type: none"> <li>With not less than six (6) months' written notice any time after the expiry of ten years (or such lesser period of notice if the parties agree).</li> <li>With immediate effect if an insolvency event occurs with respect to the Company.</li> <li>With one month's written notice to the Company in the event of any material and substantial breach of the agreement by the Company, where the Company has failed to remedy the breach within 30 days following written notice specifying the breach and requiring it to be remedied.</li> </ul>	<p>Termination by DBF can occur due to:</p> <ul style="list-style-type: none"> <li>material breach by the Investment Manager.</li> <li>insolvency of the Investment Manager.</li> <li>failure by the Investment Manager to maintain necessary authorisations or licences as required by any applicable law, rule, regulation, authority or government body.</li> <li>With not less than 6 months written notice where an ordinary resolution of the DBF shareholders is passed to the effect that the agreement can be terminated. A termination fee is payable to the Investment Manager upon termination of the agreement by DBF during the Initial Term under this scenario.</li> </ul> <p>The Investment Manager has the right to terminate the agreement:</p> <ul style="list-style-type: none"> <li>With not less than 6 months written notice any time after the expiry of the Initial Term (or such lesser period of notice if the parties agree).</li> <li>With immediate effect if an insolvency event occurs with respect to the Company.</li> <li>With one month's written notice to the Company in the event of any material and substantial breach of the agreement by the Company, where the Company has failed to remedy the breach within 30 days following written notice specifying the breach and requiring it to be remedied.</li> </ul>
Investment parameters	<p>Investments must comply with the investment policies, objectives, and restrictions determined by the Board.</p>	<p>The Investment Manager will make recommendations relating to investments in compliance with the Investment Guidelines and in accordance with the agreement and applicable laws.</p>



Investment guidelines	<p>The Investment Manager is required to act in accordance with the investment guidelines set out in Schedule 2 of the agreement. These guidelines include:</p> <ul style="list-style-type: none"> <li>Gearing of the Company at a level of not more than 40% of gross asset value (short-term increases beyond this level are permitted with approval from the Board).</li> <li>Investments are restricted to Australian agricultural land, water, livestock, crops, and associated plant and equipment.</li> </ul> <p>Cash must be held in deposit-taking institutions licensed by ASIC with an S&amp;P long-term credit rating of at least A (or equivalent).</p>	The investment mandate is subject to conditions such as gearing of the Company at a level not more than 40% of gross asset value and investments restricted to Australian agribusiness and associated assets.
Investment restrictions	The Investment Manager agrees to have regard to the investment guidelines when considering changes in the portfolio and shall adopt internal measures to ensure compliance. In the event of any breach of the investment restrictions, the Investment Manager will take immediate corrective action.	The Investment Manager must ensure that the Company does not breach any restrictions provided in the Investment Guidelines. In case of any breach, the Investment Manager will review the position and recommend actions in the best interests of the shareholders.
Management fee	The Company pays the Investment Manager a monthly management fee equal to 0.85% per annum (plus GST) of the total Portfolio Net Asset Value ("PNAV") at the end of each month.	The Company will pay the Investment Manager a monthly management fee equal to 1.25% per annum (plus GST) of the total NAV at the end of each month.
Performance fee	<p>The Company pays a Performance Fee (plus GST) to the Investment Manager, calculated based on the Investment Return of the Company. The fee is payable if the Investment Return outperforms either of the First Benchmark Return Hurdle (8%) or the Second Benchmark Return Hurdle (12%) during any Calculation Period.</p> <p>If the Investment Return is greater than the First Benchmark Return Hurdle and less than the Second Benchmark Return Hurdle, the Performance Fee payable represents 5% of the outperformance above the First Benchmark Return Hurdle.</p> <p>If the Investment Return is greater than the Second Benchmark Return Hurdle the Performance Fee payable represents 5% x (Second Benchmark Return Hurdle – First Benchmark Return Hurdle) plus 10% of the outperformance above the Second Benchmark Return Hurdle.</p>	The parties acknowledge that the Investment Manager has agreed to forego performance fees as contemplated in the Original Agreement.
Other fees	<p>The Company will be responsible for all costs and expenses incurred by the Company and all fees, costs, and expenses incurred by the Investment Manager in providing services under this Agreement.</p> <p>The Company pays the Investment Manager a commercial rate for providing various administrative and other investment services to the Company.</p>	The Company undertakes to pay the fees of the Investment Manager for the provision of services and the reasonable costs and expenses incurred on behalf of the Company in relation to advisory services.
Expense recoveries	The Company is responsible for the prompt reimbursement of expenses incurred by the Investment Manager directly attributable to the Company.	The Company must make payments promptly in accordance with the terms of the relevant invoice and the payment terms of the third-party professionals or consultants.
Investment committee	The Investment Manager may appoint employees of the Investment Manager or its affiliates to provide day-to-day management of the Company's Assets and/or Investments.	The Investment Manager will attend board and sub-committee meetings, including investment committee meetings, to discuss the performance of the portfolio's investment strategies.

Valuation policies	<p>The PNAV is calculated based on the Company's management accounts and adjusted for distributions, capital raisings, and relevant taxes.</p>	<p>The Net Asset Value (NAV) for the purposes of calculating the management fee means the total assets of the Group Companies less the total liabilities on a consolidated basis, excluding provisions for tax payable.</p> <p>The calculation of the NAV is based on the Group Companies consolidated management accounts and taking into account the following:</p> <ul style="list-style-type: none"> <li>a) the value of the assets which are subject of an agreement which has been entered into or exchanged but not completed by the Valuation Date;</li> <li>b) the value of water entitlements at their market value as opposed to their accounting value; and</li> <li>c) deferred tax assets.</li> </ul>
--------------------	--	---

## 6. Assessment of the Proposed Transaction's advantages and disadvantages

### 6.1 Basis of evaluation

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to a related party or relevant substantial shareholder or any of its associates without the approval of holders of the entity's ordinary securities.

An asset is considered substantial "if its value; or the value of the consideration being paid or received by the entity for it is, or in the ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX".

ASX Listing Rule 10.5.10 sets out the requirement for the inclusion of an independent expert's report opining on whether the transaction is fair and reasonable.

In assessing the fair and reasonableness of the Proposed Transaction, we have had regard to RG 111.

RG 111 primarily focuses on control transactions, however we do not consider the transaction to be a control transaction. Accordingly, we will have regard to RG 111.35 – RG 111.40 in assessing the transaction. Whilst this guidance primarily relates to demergers and demutualisations, we consider it to be the most relevant guidance for the purposes of the IER as it discusses providing an opinion as to whether the advantages of a particular transaction outweigh the disadvantages.

Accordingly, we have considered the Proposed Transaction on the following basis:

- Whether the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders; and
- Whether the amendments to the Investment Management Agreement are on arm's length terms.

There is no specific legal definition of what constitutes an advantage or a disadvantage, nor is there a definitive legal or regulatory definition of the methodology to be adopted to assess each advantage and disadvantage relative to each other. The requirements involve judgement on the part of the expert as to the overall commercial effect of the Proposed Transaction. The expert must weigh up the advantages and disadvantages of the Proposed Transaction and form an overall view as to whether the advantages of the Proposed Transaction outweigh the disadvantages.

### 6.2 Key matters considered

#### Relative advantages and disadvantages

We note that the Proposed Transaction does not involve a change in Investment Manager. Duxton Capital remains the appointed Investment Manager under both the current and Amended IMA. Accordingly, we have not assessed matters such as manager risk, transition risk, or changes to investment committee composition and governance, as these are not considered relevant or material to our evaluation. Our assessment focuses instead on the specific amendments to the IMA, as outlined below.

In considering whether the advantages of the amendments to the Investment Management Agreement outweigh the disadvantages for Non-Associated Shareholders we have considered a range of key matters including:

- Liquidity of DBF shares;
- Valuation policies;
- Fee arrangements;
- Non-management services;
- Term of the Amended IMA and early termination; and
- The likely position of the Shareholders if the Proposed Transaction is not implemented.

#### Liquidity of DBF shares

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. An equity instrument is generally considered liquid if a market for the equity investment exists such that it can be bought and sold quickly with minimal impact on the price of the instrument.

As detailed in Section 3.9, between July 2023 and June 2024, a monthly average of approximately 0.02% of DBF shares on issue were traded. From June 2024 to December 2024 – particularly in September 2024 – this monthly average was approximately 0.05%. While the liquidity increased in this period, it was accompanied by a decline in DBF's share price, potentially indicating negative investor sentiment, resulting in an increased sale of DBF shares without a reciprocal rise in buyer activity. September 2024 share price and volume traded was affected primarily by the ASX announcement made on 31 August 2024 regarding DBF's preliminary final report, which revealed a net loss after tax of \$10.1m.

As a listed vehicle, DBF is likely to provide more liquidity than a direct investment in unlisted alternative assets. This is likely to remain unchanged if the Proposed Transaction is implemented.

## Valuation Policies

In assessing the implications of the Proposed Transaction, we have considered the change in valuation methodology from PNAV under the current IMA to NAV under the Amended IMA.

Under the current IMA, PNAV is calculated based on the Company's management accounts and adjusted for distributions, capital raisings, and relevant taxes. This approach focuses narrowly on the investment portfolio and excludes certain non-investment assets and liabilities.

By contrast, the Amended IMA adopts NAV as the basis for calculating the management fee. NAV is defined as the total assets of the Group Companies less total liabilities on a consolidated basis, excluding provisions for tax payable. It incorporates broader adjustments, including the market value of water entitlements and deferred tax assets.

This shift in valuation methodology has implications for fee predictability and transparency. NAV provides a more comprehensive view of the Company's financial position and may better reflect the economic value of the business. However, it may also result in higher fee calculations depending on the treatment of liabilities and asset revaluations.

We consider this change to be a material adjustment in the fee basis and relevant to Non-Associated shareholders' assessment of the Proposed Transaction.

## Fee arrangements

Under the current IMA, DBF is required to pay a monthly management fee to the Investment Manager, equivalent to 0.85% (plus GST) per annum, based on the total PNAV at the end of each month. DBF is also required to pay a performance fee to the Investment Manager based on the Investment Return (as defined in Clause 11.3 of the current IMA) of the Company against benchmark return hurdles. Refer to **Section 5** for detailed fee arrangement according to the terms of the current IMA.

Under the Amended IMA, the monthly management fee payable by DBF to the Investment Manager will increase to the equivalent of 1.25% (plus GST) per annum, based on the total NAV at the end of each month. Under the Amended IMA, the Investment Manager has agreed to forego performance fees previously contemplated in the current IMA.

Under the current IMA, the Company paid a total management fee of \$1.2m, and a performance fee of \$757k in FY24, a total of \$2.0m.

For illustrative purposes, assuming a NAV of \$120.0m as at 30 June 2024, the management fee payable under the Amended IMA would be approximately \$1.5m per annum. This compares to a total of \$2.0m in fees paid under the Current IMA in FY24 (comprising \$1.2m in base management fees and \$0.8m in performance fees), resulting in a relative net benefit of approximately \$0.5m to the Company. However, it is important to note that non-management services (discussed below) previously bundled within the management fee would be funded directly by DBF under the Amended IMA, which would partially offset the observed savings depending on how these costs are managed going forward. While this comparison provides a useful proxy, it is important to note that the Amended IMA calculates fees monthly based on NAV, which may fluctuate throughout the year. Additionally, NAV and PNAV are calculated on different bases; NAV includes broader adjustments such as the market value of water entitlements and deferred tax assets. Accordingly, this comparison should be interpreted with caution, particularly during periods of significant asset revaluation.

In our view, this does represent a material change to the fee arrangement of the management agreement.

## Non-management services

Under the current IMA, Duxton Capital provides DBF with a number of non-management services in addition to its core investment management responsibilities. These services have historically included functions such as finance, accounting, administration, and company secretarial support, which were bundled within the overall management fee arrangement.

If the Proposed Transaction is approved, there will be a significant change to the delivery of these non-management services. Duxton Farms intends to internalise the majority of these functions, meaning that services such as accounting, administration, and related support will be managed directly by Duxton Farms rather than by the Investment Manager. This transition is designed to enhance operational independence, improve transparency, and allow Duxton Farms to build a dedicated internal team focused on its specific needs.

It is important to note that, following implementation of the new agreement, any remaining non-management services required from Duxton Capital or its affiliates will be provided under separate arrangements, with fees and terms to be agreed independently of the core management fee. This approach is expected to reduce potential conflicts of interest and provide greater clarity over the cost and scope of ancillary services.

The change in the delivery model for non-management services represents a material shift in the Company's operating structure and is a key consideration for the Non-Associated shareholders when assessing the overall impact of the Proposed Transaction.

## Term of Amended IMA and early termination

The original IMA for DBF was structured with an initial term of 10 years from commencement, after which it would automatically renew for additional five-year periods unless terminated in accordance with the agreement. Under this arrangement, DBF could terminate the agreement for cause (such as material breach, insolvency, or loss of required licences), or by shareholder resolution after the initial term with six months' notice. Duxton Capital also has the right to terminate after the initial term with six months' notice, or immediately in the event of insolvency, or with one month's notice for an unremedied material breach. If the agreement was terminated during a renewed term (and not for cause), a termination fee was payable, calculated as 5% of the Portfolio Net Asset Value ("PNAV") at the end of the month prior to termination, reduced by one-sixtieth for each month elapsed in the renewed term.

Under the Amended IMA, the term is defined as running until 1 January 2031 from the effective date, with an option for DBF to renew for a further five years, subject to shareholder approval. The early termination provisions have been updated to allow DBF to terminate for cause (including material breach, insolvency, loss of licence, or a change of control of the Investment Manager without consent), or by shareholder resolution after the initial term with six months' notice. Duxton Capital retains the right to terminate after the initial term with six months' notice, or immediately for insolvency, or with one month's notice for an unremedied material breach. If the agreement is terminated by Duxton Farms during the initial term (and not for cause), the termination fee would be calculated as 1.5 times the average annual management fee paid over the three immediately prior 12-month periods, multiplied by the number of months remaining in the term divided by 12. This represents a change from the previous 5% of PNAV.

It is difficult to assess if the difference in the remaining term between the current and Amended IMA is material in the context of the overall management arrangements.

## The likely position of the Shareholders if the Proposed Transaction is not implemented

We have detailed below the likely position of the Shareholders if the Proposed Transaction is not implemented. We note that the Proposed Transaction may not proceed due to a number of reasons including, but not limited to, the conditions precedent to the Amended IMA not being satisfied.

**Table 9 Likely position of the Shareholders if the Proposed Transaction is not implemented**

Position of Shareholders	Explanation
Continue operating under the existing IMA	If the Proposed Transaction is not approved, Duxton Farms will continue to operate under the existing IMA with Duxton Capital. The current terms, including the management fee, performance fee, termination provisions, and scope of services, will remain in effect. Non-management services such as accounting and administration will continue to be provided by the Duxton Capital as per the existing arrangement.
Pursuit of other investment management agreement proposals	<p>If the Proposed Transaction is not implemented, the DBF board may receive other proposals to provide new management services to DBF. However, if the Proposed Transaction is not implemented, other potential proposals may be considered by the DBF board as an alternative.</p> <p>We note that there have been no alternative proposals received by the Company at the date of this Report.</p> <p>For completeness, we note that any alternative management proposal would be subject to negotiations between DBF and Duxton Capital on the terms that Duxton Capital would be willing to agree to termination of the existing management agreement.</p>

## 6.3 Advantages of the Proposed Transaction

**Table 10 Advantages of the Proposed Transaction**

Advantages	Explanation
Continuity of strategy and key executive	The Amended IMA ensures that Duxton Farms will continue its core business and investment strategy with the support of Duxton Capital. It also introduces a formal requirement for a COO as a "Key Person" with Duxton Farms involved in recruitment, performance management, and removal, supporting continuity and quality of management.
Removal of performance fee	The Amended IMA removes the performance fee component, which is intended to deliver a more predictable cost structure for Duxton Farms. This change is designed to reduce the risk of short-term or high-risk investment decision-making by Duxton Capital that can arise when compensation is tied to near-term performance.
Revised management fee structure	While the base management fee increases from 0.85% to 1.25% of NAV, the fee structure is simplified and no longer includes a performance fee. The management fee remains calculated on NAV, which is intended to ensure transparency and alignment with shareholder interests.
Revised termination fee	The termination fee formula is revised. Under the Amended IMA, if terminated by Duxton Farms during the initial term (and not for cause), the fee is 1.5 times the average annual management fee paid over the three immediately prior 12-month periods, multiplied by the number of months remaining in the term divided by 12. This replaces the previous 5% of Portfolio Net Asset Value ("PNAV") formula.
Clearer IP and branding terms	The Amended IMA provides expanded and clearer provisions regarding intellectual property and branding. Duxton Farms is granted a licence to use certain intellectual property and branding during and after the agreement, reducing the risk of disputes or misuse of assets developed during the term that the Amended IMA is in place.
Refined scope of services	The Amended IMA narrows Duxton Capital's responsibilities to focus on investment strategy and business development. Non-management services (such as accounting and administration) will be internalised by Duxton Farms, which is expected to reduce related party arrangements and allow the Company to build a more specialised internal team.

## 6.4 Disadvantages of the Proposed Transaction

**Table 11 Disadvantages of the Proposed Transaction**

Disadvantages	Explanation
Potential sell down pressure	Shareholders who oppose the amendments to the IMA may choose to sell their shares. If a significant number of such sales occur and the market does not absorb them, this may place downward pressure on the share price.
Increased base management fee	The base management fee will increase from 0.85% to 1.25% of NAV. This may increase costs for Duxton Farms, particularly during periods of underperformance, as the fee remains payable even when returns to shareholders are flat or negative.
Removal of performance-based incentives	The removal of the performance fee eliminates a direct incentive for Duxton Capital to exceed performance benchmarks and deliver a high-level of returns.
Reduced scope of the Investment Manager's responsibilities	While the Amended IMA focusses Duxton Capital on core investment functions, transferring responsibility for administrative and accounting functions away from Duxton Capital could create coordination or integration risks, especially if the internalisation process does not proceed as planned.

## 6.5 Conclusion on whether the advantages outweigh the disadvantages

On balance, we consider that the advantages of the Proposed Transaction outweigh the disadvantages for Non-Associated Shareholders. The removal of the performance fee, internalisation of non-management services, and clearer governance provisions under the Amended IMA collectively represent a meaningful improvement in transparency, cost predictability, and alignment with shareholder interests.

While the base management fee increases under the Amended IMA, the removal of the performance fee offsets this change. As outlined in **Section 6**, using the NAV as at 30 June 2024, the revised fee structure would have resulted in a net saving on manager fees of approximately \$500k for the Company in FY24. This supports our view that shareholders are likely to be better off under the Amended IMA. However, it is important to note that non-management services previously bundled within the management fee would be funded directly by DBF under the Amended IMA, which would partially offset the observed savings depending on how these costs are managed going forward. It is also important to note that past performance and historical cost outcomes may not be indicative of future results. The financial impact of the Amended IMA will depend on future NAV levels, operational execution, and market conditions, which may differ materially from those observed in prior periods.

Non-Associated Shareholders should, give consideration to the removal of the performance fee. While we have formed a view that the revised structure is appropriate and beneficial in the context of Duxton Farms' strategic objectives, we acknowledge that some shareholders may prefer a model that retains performance-based incentives. The shift to a known fixed fee structure may appeal to those seeking cost certainty, but others may view it as a reduction in alignment between manager performance and shareholder returns.

Ultimately, the decision to approve the Proposed Transaction should be made with regard to each shareholder's individual circumstances, including their investment preferences and expectations for future performance.

## 7. Arm's length assessment

### 7.1 Assessment methodology

As discussed above, DBF and Duxton Capital are related parties.

Pursuant to section 208 of the Corporations Act, the giving of a financial benefit to a related party does not require shareholder approval if it is given on reasonable arm's length terms.

While the Corporations Act does not define 'arm's length', ASIC RG 76 Related Party Transactions refers to case law which applies the phrase as it appears in taxation and other legislation. ASIC vs Australian Investors Forum indicates that, in determining the objective standards that would characterise arm's length terms, courts should consider the transaction terms that would result if:

- The parties to the transaction were unrelated in any way (for example, financially, or through ties of family, affection or dependence);
- The parties were free from any undue influence, control or pressure;
- Through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound judgement as to what was in its interests; and
- Each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

In making our assessment as to whether the terms of the Amended IMA are at an arm's length, we have considered the legalities stated above, as well as our analysis of comparable management agreements and any other relevant matters in the Amended IMA.

### 7.2 Key considerations

We have set out below our discussion of the key considerations analysed in our assessment of whether the terms of the Amended IMA are at arm's length.

**Table 12 Key considerations**

Consideration	Discussion
Negotiation of the Amended IMA	<p>We understand that the Amended IMA has been extensively negotiated and DBF and Duxton Capital have each been independently advised on the terms of the Amended IMA by external advisors.</p> <p>We note that the negotiated terms of the Amended IMA were reviewed and approved by the Independent Directors.</p>
Management fee	<p>As set out in <b>Section 5</b> of this Report, if the Proposed Transaction is implemented, DBF will be required to pay Duxton Capital a monthly management fee equal to 1.25% per annum (plus GST) of the total NAV at the end of each month.</p> <p>We note that the NAV basis under the Amended IMA includes adjustments not captured under PNAV, such as market value of water entitlements and deferred tax assets. This broader valuation base may result in higher fee calculations compared to the PNAV basis under the current IMA and should be considered when assessing the reasonableness of the 1.25% fee.</p> <p>In determining whether the management fee is on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that management fees in comparable management agreements range between 0.60% and 1.95% per annum based on varying underlying values, including PNAV and gross asset value.</p> <p>We note that differences exist between the Amended IMA and the comparable management agreements set out in Appendix E, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the management fee payable by DBF under the Amended IMA is broadly in line with the management fees included in the comparable management agreements, noting that the different fee bases of the Amended IMA and the comparable management agreements could result in material differences in management fees calculated for the same portfolio.</p>



Performance fee	<p>We note that the Investment Manager has agreed to forego performance fees as contemplated in the current IMA.</p> <p>Despite no performance fee being payable under the Amended IMA if the Proposed Transaction is implemented, for completeness, we have considered performance fees in comparable management agreements.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that performance fees in comparable agreements range between 0.4% to 17.5% (above defined and benchmarked performance) and are based on varying benchmarks and underlying values, which include (but are not limited to) measures such as IRRs, a percentage of the gross value of portfolio assets and 'high water marks'.</p> <p>We note that differences exist between the Amended IMA and comparable management agreements set out in <b>Appendix E</b>, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the lack of performance fee in the Amended IMA represents terms which are no more favourable to Duxton Capital than the terms of the comparable management agreements.</p>
Transactions with related parties	<p>The Amended IMA requires Duxton Farms' consent via ordinary board resolution to acquire assets from, or dispose of assets to, an associate of Duxton Capital. The Amended IMA defines Related Parties in accordance with the Act, which for the purposes of the Proposed Transaction may include, amongst other parties, the directors of Duxton Capital, the directors of Duxton Farms.</p> <p>In our view, this mechanism represents an additional step in the approval process required prior to Duxton Capital investing in any parties related to Duxton Farms, or any other similar dealings with other related parties. The mechanism may assist under the Amended IMA to mitigate additional risks inherent in related party transactions.</p>
Term of agreement	<p>The Amended IMA has an initial term until 1 January 2031 and, subject to shareholder approval, a first renewal term of five years unless terminated in accordance with the specified clauses.</p> <p>In determining whether the term of the Amended IMA is on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>With reference to our research on comparable management agreements (set out in <b>Appendix E</b> of this Report), we note that the terms range from 5 years to 80 years. The median term of the comparable management agreements is 13.5 years.</p> <p>We note that differences exist between the Amended IMA and comparable management agreements set out in <b>Appendix E</b>, and those differences may be significant. These comparable management agreements should be used as a broad guide only.</p> <p>With reference to the above, in our view, the term of the Amended IMA is relatively consistent with the term of agreements in the comparable management agreements.</p>
Cancellation terms	<p>The cancellation terms of the Amended IMA are set out in <b>Section 5</b>.</p> <p>In determining whether the cancellation terms are on arm's length terms, we have had regard to comparable management agreements between funds and managers in Australia and overseas.</p> <p>While the cancellation terms of the majority of the comparable management agreements are not public information, we note that those that we were able to analyse were on the basis of either mutual agreement or with six months' written notice.</p> <p>With reference to the above, in our view, the cancellation terms under the Amended IMA is relatively consistent with the cancellation terms in the comparable management agreements.</p>

### 7.3 Assessment of whether the terms of the Amended IMA are at arm's length

In our opinion, after considering the terms of the Amended IMA and other matters, it is our view that, in the absence of any other information, the terms of the Amended IMA are at arm's length.

# Appendices

## A. Declarations and Disclaimers

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 Valuation Services ("**APES 225**") issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM), a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Nadine Marke are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Duxton Farms in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on the Report for any other purpose.

### Reliance on Information

The statements and opinions contained in the Report are given in good faith. In the preparation of this report, we have relied upon information provided by the directors and management of Duxton Farms, and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of the Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of the Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of the Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee in the range of \$30,000 to \$40,000 (excluding goods and services tax ("**GST**") based on time occupied at normal professional rates for the preparation of the Report. The fees are payable regardless of whether Duxton Farms receives Shareholder approval for the Proposed Transaction.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of the Report in the form and context in which it is included with the Proposed Transaction Booklet to be issued to Shareholders. Other than the Report, neither of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Target's Statement. Accordingly, we take no responsibility for the content of the Target's Statement.

## B. Sources of Information

In preparing the Report, we have relied upon the following principal sources of information:

- DBF Investment Management Agreement – Fully Executed;
- DBF IMA Amendment Deed;
- Amended IMA framework and IMA agreement executed document;
- DBF audited financial statements for the years ended 30 June 2022, 30 June 2023 and 30 June 2024;
- DBF reviewed financial statements for the six-month period ended 31 December 2024;
- ASX announcements of DBF;
- DBF monthly management accounts for the period 30 June 2022 to 30 June 2025;
- Details of DBF Shareholders;
- S&P Capital IQ database;
- IBISWorld;
- Information provided to us throughout correspondence with the Directors and Management of DBF; and
- DBF website.

## C. Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
\$ or AUD	Australian dollar
1HY25	The six-month period ended 31 December 2024
Act or Corporations Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES 225	Australian Professional Ethical Standard 225 – Valuation Services
Amended IMA	The IMA which the Company is seeking to get shareholder approval for
ASIC	Australian Securities and Investments Commission
Asset Management	the Asset Management industry
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of the Australian Stock Exchange amended from time to time
ATO	The Australian Taxation Office
bn	Billion
Board	The board of Directors of Duxton Farms
CAGR	Compound annual growth rate
Controlling Interest Basis	As assessment of the Fair Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held.
COO	Chief Operating Officer
Duxton Capital or the Investment Manager	Duxton Capital (Australia) Pty Limited
Duxton Capital Services or DCS	Duxton Capital Services Pty Ltd
Duxton Farms, DBF or the Company	Duxton Farms limited ACN 129 249 243
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the Enterprise Value.
Forward-looking information	Prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters.
FSG	Financial Services Guide
Funds Management	The Funds Management industry
FVLCTS	Fair value less cost to sell
FYXX	Financial year ended 30 June YYYY
FX	Foreign Exchange
Group Companies	The subsidiaries of DBF

Term or Abbreviation	Definition
GST	Goods and services tax
Historical Period	FY22, FY23, FY24 and 1HY25
Investment Management Agreement or IMA	The Investment Management Agreement which the Company is seeking approval for amendments to be made to
k	Thousands
Key Person	The COO role introduced by the Amended IMA
LIC	Listed Investment Company
LTM	Last twelve months
m	Millions
Management, or Mgmt.	The management of DBF
Market Value or Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length.
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
NAV	Net asset value
Non-Associated Shareholders or Shareholders	Shareholders who are not a party, or associated to a party, of the Proposed Transaction
Notice or NoM	Notice of General Meeting and Explanatory Statement
NPAT	Net profit after tax
PNAV	Portfolio net asset value
The Proposed Transaction	That for the purposes of Listing Rules 10.1, section 208 of the Corporations Act, the Undertaking and for all other purposes, approval is given for Duxton Farms to amend the terms of the investment management agreement between Duxton Farms and the Investment Manager dated 7 November 2017 as amended by the Amendment Deed dated 12 January 2018 on the terms referred to in the Explanatory Memorandum.
Report, or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
Resolution	The resolutions set out in the Notice
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RSM, we, us or our	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information

## D. Industry Overview

In evaluating the industry in which Duxton Farms operates, we have had regard to the following industry:

- K6419A – Funds Management Services in Australia (the “**Funds Management**” industry) report published by IBISWorld November 2024; and
- Asset Management (the “**Asset Management**” industry) Report 2018-2030 published by Grand View Research.

### Funds Management Services in Australia

#### General overview

Fund management service providers mainly provide funds management services, including insurance funds management, public offer unit trusts, government funds and overseas funds. Fund management services generate income by providing portfolio investment services and investment consultant services on a commission and fee basis. Providers also earn revenue on a performance fee basis, where fees are directly tied to the effective management and growth of client portfolios.

#### Key industry performance drivers

The key drivers that influence the Funds Management industry include:

- All Ordinaries Index:
  - Improved market performance raises the value of shares and equity held in managed funds, lifting the value of AUM and the fees generated by fund managers.
- Demand from life insurance:
  - Life insurance companies demand funds management services so they can invest the premiums they receive from clients;
  - A hike in the value of premiums received by life insurance companies gives them more funds to channel into fund management services.
- Household savings ratio:
  - Increased savings can lead to more funds for investments like unit trusts, increasing AUM and supporting fund managers' revenue;
  - Conversely, a lower savings ratio can lead to less income available for investments, potentially lowering revenues for funds management service providers.
- Cash rate:
  - The cash rate is the interest rate that authorised deposit-taking institutions pay or charge for overnight funds;
  - When cash rates rise, investors tend to lean towards safer, interest-earning products like deposits, reducing demand for higher-risk investments managed by funds. This can decrease managed assets and reduce earnings from management fees.
- High income earners.
  - High income earners represent the top quintile of income earners after being ranked by their disposable income. People in the top quintile of income earners often employ fund managers to manage their wealth;
  - Reduced disposable income earned by this demographic will usually shrink demand for funds management services, presenting a threat to industry growth.

#### Current performance

The factors leading to the current performance of the Funds Management industry include:

- Escalating geopolitical tensions have created economic uncertainties, resulting in a drop in AUM. Combined with interest rate hikes, these trends have weakened revenue generated from management fees.
- Intense competition in the funds management sector is compelling managers to reduce their fees, leading to a drop in revenue. To alleviate pressure on margins, fund managers are adopting tech solutions to improve efficiency and cost management.
- Consumer-driven demand for passive investments and ESG investing is substantially influencing revenue for fund managers. The shift towards ESG and custom indexing, which typically incur higher fees, is helping to offset the dip in margins linked with passive investing.
- Greater scrutiny on greenwashing is pushing fund managers to align their green claims with their funds. Fund management companies are dedicating more resources to support their claims, driving up due diligence and compliance costs.

#### Outlook

The factors leading to the outlook of the Funds Management industry include:

- In Australia, the wholesale client requirement, which has remained unchanged for over two decades, is expected to undergo a shift. This change is likely to enhance protections for investors by adjusting the wholesale client threshold, potentially resulting in fewer wholesale investors and reducing accessibility to wholesale financial trusts.

- The increased scrutiny by ASIC on green investing claims is prompting funds management companies to align their funds with their environmental claims to ensure regulatory compliance. This crackdown is driving companies to allocate more resources to support their environmental claims, despite the associated rise in compliance costs.
- Integration of technologies like generative AI is enhancing customer interactions for fund management companies. Additionally, technologies like tokenisation and quantum computing are streamlining processes, improving liquidity for assets like real estate and allowing for faster risk scenario simulations.
- The increasing demand for ESG investing and thematic strategies is gaining momentum among investors. As the global energy transition unfolds, funds management companies are gearing up to launch new funds and invest in companies that contribute to this shift, expanding the investment opportunities available.
- The introduction of global sustainability reporting standards is expected to bring clarity and transparency to ESG disclosures, allowing fund managers to make more informed decisions. This standardisation will boost the credibility of sustainable funds, appealing to a wider range of clients and providing growth opportunities for fund managers.

## Asset Management

### General overview

The global asset management market was valued at approximately USD 458.02 billion in 2023 and is projected to reach USD 3,677.39 billion by 2030, growing at a compound annual growth rate (“CAGR”) of 36.4% from 2024 to 2030. This expansion is fuelled by rapid digital transformation, technological innovations, and the increasing need for efficient asset management across various industries.

### Key industry performance drivers

- Technological Advancements:
  - the integration of technologies such as the Internet of Things (IoT), artificial intelligence (AI), and predictive analytics is enhancing asset tracking and management capabilities.
- Demand for Operational Efficiency:
  - businesses are seeking solutions to streamline operations, reduce downtime, and optimize resource allocation, driving the adoption of advanced asset management systems.
- Regulatory Compliance:
  - stringent regulations across industries necessitate robust asset management practices to ensure compliance and mitigate risks.
- Sustainability Initiatives:
  - organizations are increasingly focusing on sustainable practices, leading to the adoption of asset management solutions that support environmental and social governance (ESG) goals.

### Current performance

- Regional Insights:
  - North America led the market with a revenue share of 33.04% in 2023, while the Asia Pacific region is expected to witness the fastest growth during the forecast period.
- Application Segmentation:
  - the aviation sector dominated the market with a 79.5% revenue share in 2023, highlighting the critical need for asset management in industries with high-value assets.
- Functional Insights:
  - location and movement tracking accounted for 35.0% of the market share, underscoring the importance of real-time asset monitoring.
- Component Analysis:
  - the solution segment led with a 54.7% share, indicating a preference for comprehensive asset management solutions over standalone services.

### Industry Outlook

The asset management market is poised for substantial growth, with projections indicating a significant increase in market size by 2030. Factors such as technological advancements, the need for operational efficiency, regulatory compliance, and sustainability initiatives are expected to continue driving market expansion. Organizations across various sectors are anticipated to invest in advanced asset management solutions to enhance performance, ensure compliance, and achieve sustainability goals.



## E. Comparable management agreements

We set out below the information in relation to investment management agreements we consider comparable to the Amended IMA. This section sets out the following:

1. An overview of our analysis;
2. A summary of ongoing management fees in investment management agreements we consider comparable to the Amended IMA;
3. A summary of performance fees in investment management agreements we consider comparable to the Amended IMA; and
4. Descriptions of the assets managed under the investment management agreements set out above.

**Table 13 Comparable management agreements**

Fund / Agreement	Management Fee Structure	Fee Basis	Performance Fee	Term	Cancellation policy
Rural Funds Management	0.60% p.a.	Gross Asset Value	Not specified	Not specified	Mutual agreement
Rural Funds Poultry	Nil	N/A	None	The lease term is to match the term of the growing contracts for each category of assets: • Griffith farms 53-66 – 11 years • Griffith farms 67-68 – 16 years • Lethbridge farms – 26 years	Mutual agreement
Warakirri Diversified Agriculture Fund	1.0% p.a.	Gross Assets	15% over 8% IRR	Open ended	N/A
Warakirri Farmland Fund	Tiered: 0.95%–0.75%	Gross Assets	15% over 8% highwater mark	Open ended	N/A
AAM Agri Access Fund	1.926% p.a. total	Net Asset Value	0.406% indirect performance fee	Seven year investment term expiring 6 January 2027 with up to three years of possible extensions	N/A
Beston Global Food	1.2% p.a. (ex-GST)	Portfolio Value	17.5% * market cap of BFC * (BFC TSR% - ASX index TSR)	Five years from commencement with automatic 5 year renewals	Terminate with six months notice; termination fee of 5% of most recent portfolio value
RF Active	0.6% p.a.	Gross Assets	0.45% p.a. of gross value of portfolio	Maximum term of 80 years	N/A

**Table 14 Comparable management agreements**

Fund / Agreement	Funds and Assets under management
Rural Funds Management	Poultry farms, vineyards, almond orchards and water entitlements
Rural Funds Poultry	Poultry assets
Warakirri Diversified Agriculture Fund	Nuts, fruits, vineyards, intensive livestock, agricultural infrastructure and water entitlements
Warakirri Farmland Fund	Fruits, nuts, wine grape vineyards, table grape vineyards, row crops and water entitlements
AAM Agri Access Fund	Beef cattle, sheep, cropping, poultry and timber supply chains
Beston Global Food	Dairy processing and meat processing
RF Active	Almond orchards, water entitlements, poultry farms, vineyards and vendor finance agreements

**RSM Australia Pty Ltd**  
Level 27, 120 Collins Street  
Melbourne  
VIC 3000  
Australia  
T : (+61) 3 9286 8000  
[rsm.com.au](http://rsm.com.au)

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, 2nd Floor, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.  
Liability limited by a scheme approved under professional standards legislation

## **Annexure C - Independent Limited Assurance Report**

The Board of Directors  
Duxton Dried Fruits Pty Ltd

The Board of Directors  
Duxton Dairies (Cobram) Pty Ltd  
(referred to as Duxton Walnuts)

The Board of Directors  
Duxton Orchards Pty Ltd

7 Pomona Road  
Stirling, SA 5152

27 August 2025

Dear Directors

The Board of Directors  
Duxton Farms Limited

The Board of Directors  
Duxton Bees Pty Ltd

---

**Grant Thornton Corporate  
Finance Pty Ltd**  
Level 26  
Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## **INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE**

### **INTRODUCTION**

Grant Thornton Corporate Finance Pty Limited ("Grant Thornton Corporate Finance") has been engaged by the Merger Companies ("Merger Companies") and Duxton Farms Limited ("Duxton Farms") to prepare this report for inclusion in the scheme books to be dated on or around 4 September 2025 (the "Scheme Books") to be issued by each of the Merger Companies, in respect of the proposed acquisition of the Merger Companies by Duxton Farms (the "Transaction") (together the "Merged Group").

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Expressions defined in the Scheme Book have the same meaning in this report, unless otherwise specified.

### **SCOPE**

You have requested Grant Thornton Corporate Finance to perform a limited assurance engagement in relation to the Merged Group Unaudited Pro Forma Historical Financial Information described below and disclosed in the Scheme Book.

---

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 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 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

---

[www.grantthornton.com.au](http://www.grantthornton.com.au)

**#14333016v1**

L\359362481.3

The Merged Group Unaudited Pro Forma Historical Financial Information is presented in the Scheme Books in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

### **Basis of preparation of The Merged Group Unaudited Pro Forma Historical Financial Information**

The Merged Group Unaudited Pro Forma Historical Financial Information presented in Section 10.10 of the Scheme Book comprises:

- Merged Group Unaudited Pro Forma Historical Consolidated Profit and Loss Statement for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and six months ended 31 December 2024;
  - Merged Group Unaudited Pro Forma Historical Statement of Cash Flows for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 and six months ended 31 December 2024; and
  - Merged Group Unaudited Pro Forma Historical Statement of Financial Position as at 31 December 2024 in respect of the Merger Companies and 30 June 2025 in respect of Duxton Farms.
- (together the “**Merged Group Unaudited Pro Forma Historical Financial Information**”).

The Merged Group Unaudited Pro Forma Historical Financial Information is derived from;

- in the case of Duxton Farms, the following financial statements (as presented in Section 9.9 of the Scheme Book):
  - Duxton Farms' audited statutory historical consolidated financial information for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and the reviewed for the six months ended 31 December 2024 in respect of the Duxton Farms Historical Profit and Loss Statements and Duxton Farms Historical Statement of Cash Flow; and
  - the Duxton Farms audited Historical Statement of Financial Position as at 30 June 2025;
- in the case of Duxton Bees, Duxton Dried Fruits and Duxton Walnuts, the following financial statements of those Merger Companies (as summarised in Sections 5.11, 6.11 and 7.11 of the Scheme Book respectively):
  - the audited statutory historical consolidated financial information for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and reviewed for the six months ended 31 December 2024 in respect of those Merger Companies Historical Profit and Loss Statements and Merger Companies Historical Statements of Cash Flow; and
  - the Merger Companies Historical Statements of Financial Position reviewed for the six months ending 31 December 2024;
- in the case of Duxton Orchards, the following financial statements of Duxton Orchards (as summarised in Section 8.11 of the Scheme Book):
  - Duxton Orchards' audited statutory historical consolidated financial information for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and reviewed statutory historical financial information for the six months ended 30 June 2023 and 30 June 2024 in respect of Duxton Orchards' Merger Companies Historical Profit and Loss Statements, Merger Companies Historical Statements of Cash Flow; and
  - Duxton Orchards' audited Historical Statement of Financial Position as at 31 December 2024; and
- pro forma adjustments described in Sections 10.10 (c), 10.10(e) and 10.10(g) of the Scheme Book (“Pro Forma Adjustments”).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Sections 10.10(c), 10.10(e) and 10.10(g) of the Scheme Book. Due to its nature, the Merged Group Unaudited Pro Forma Historical Financial Information does not represent the Merged Group's actual or prospective financial position, financial performance, and/or cash flows.

The Merged Group Unaudited Pro Forma Historical Financial Information has been compiled by the Merger Companies and Duxton Farms for illustrative purposes to provide an indication of the financial performance (income statement and cash flows) and financial position of the Merged Group as if the Scheme had been implemented prior to 1 July 2021 in respect of the financial performance and cashflows, and prior to 30 June 2025 in respect of the financial position for Duxton Farms and 31 December 2024 for the Merger Companies.

## DIRECTORS' RESPONSIBILITY

The:

- Duxton Bees Directors are responsible for the Merger Company Information to the extent it relates to Duxton Bees;
- Duxton Dried Fruits Directors are responsible for the Merger Company Information to the extent it relates to Duxton Dried Fruits;
- Duxton Walnuts Directors are responsible for the Merger Company Information to the extent it relates to Duxton Walnuts;
- Duxton Orchards Directors are responsible for the Merger Company Information to the extent it relates to Duxton Orchards;
- Duxton Farms Directors are responsible for the Duxton Farms Information,

included in the preparation and presentation of the Merged Group Unaudited Pro Forma Historical Financial Information including the selection and determination of the pro forma adjustments and/or adjustments, and for properly compiling the Merged Group Unaudited Pro Forma Historical Financial Information on the basis stated in Section 10.10(b) of the Scheme Book.

This responsibility includes for the operation of such internal controls as the relevant Merger Company Directors or Duxton Farms Directors determine are necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

## OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Merged Group Unaudited Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion on the Merged Group Unaudited Pro Forma Historical Financial Information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the audited historical financial information of Duxton Farms for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and reviewed historical financial information for the 6 months ended 31 December 2024 in respect of the Historical Income Statement and Historical Statement of Cashflows and the audited Historical Statement of Financial Position as at 30 June 2025;
- consideration of work papers, accounting records and other documents, including those dealing with the extraction of:
  - the Merger Companies (other than Duxton Orchards) audited historical consolidated financial information for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and the Merger Companies reviewed historical financial information for the six months ended 31 December 2024 in respect of the Historical Income Statement and Historical Statement of Cashflows and the reviewed Historical Statement of Financial Position of each of the Merger Companies (other than Duxton Orchards) as at 31 December 2024;
  - Duxton Orchards audited historical consolidated financial information for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and reviewed historical financial information for the six months ended 30 June 2023 and 30 June 2024 in order to present Duxton Orchard Historical Income Statement and Historical Statement of Cashflows on year ended 30 June basis in addition to the audited Historical Statement of Financial Position of Duxton Orchards as at 31 December 2024;
- enquiry of management of the Merger Companies and Duxton Farms, the Merger Company Directors and the Duxton Farms Directors in relation to the Unaudited Pro Forma Historical Financial Information of the Merger Companies and Duxton Farms for the years ended 30 June 2022, 30 June 2023, 30 June 2024 and the six months ended 31 December 2024 in respect of the Historical Income Statement and Historical Statement of Cashflows and the Historical Statement of Financial Position at 30 June 2025 in respect of Duxton Farms and 31 December 2024 in respect of the Merger Companies;
- analytical procedures applied to the Unaudited Pro Forma Historical Consolidated Financial Information;
- consideration of the appropriateness and application of the Pro Forma Adjustments described in Sections 10.10(c), 10.10(e) and 10.10(g) of the Scheme Book; and
- a review of the consistency of the application of the stated basis of preparation as described in the Scheme Book used in the preparation of the Unaudited Pro Forma Historical Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed and relied on representations from the Merger Companies and Duxton Farms, that all material information concerning the Merged Group Unaudited Pro Forma Historical Financial Information has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

## CONCLUSIONS

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Merged Group Unaudited Pro Forma Historical Financial Information comprising the:

- Merged Group Unaudited Pro Forma Historical Consolidated Profit and Loss Statement as set out in Section 10.10(e) of the Scheme Book;
- Merged Group Unaudited Pro Forma Historical Statement of Financial Position as set out in Section 10.10(g) of the Scheme Book; and
- Merged Group Unaudited Pro Forma Historical Statement of Cash Flows as set out in Section 10.10(i) of the Scheme Book

is not presented fairly, in all material aspects, in accordance with the stated basis of preparation described in Section 10.10(b) of the Scheme Booklet.

### **Restrictions on Use**

Without modifying our conclusions, we draw attention to Section 10.10(b) of the Scheme Book, which describes the purpose of the Merged Group Unaudited Pro Forma Historical Financial Information, being for inclusion in the Scheme Book. As a result, this Independent Limited Assurance Report may not be suitable for use for another purpose.

### **Consent**

Grant Thornton Corporate Finance Pty Limited has consented to the inclusion of this Independent Limited Assurance Report in the Scheme Book in the form and context in which it is included.

### **Liability**

The liability of Grant Thornton Corporate Finance Pty Limited is limited to the inclusion of this report in the Scheme Book. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Scheme Book.

### **Independence or Disclosure of Interest**

Grant Thornton Corporate Finance does not have any interest in the outcome of the proposed Scheme, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees have been received.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



Neil Cooke

Partner



---

**Grant Thornton Corporate Finance Pty Ltd**

Level 26  
Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## Appendix A (Financial Services Guide)

This Financial Services Guide is dated 27 August 2025.

### 1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by the Merger Companies ("Merger Companies") and Duxton Farms Limited ("Duxton Farms") to prepare an Independent Limited Assurance Report (the "Report") for inclusion in the scheme booklet to be dated on or around 4 September 2025 (the "Scheme Book") to be issued by the Merger Companies, in respect of the proposed acquisition of the Merger Companies by Duxton Farms (the "Transaction") (together the "Merged Group").

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

### 2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

### 3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

---

**ABN-59 003 265 987 ACN-003 265 987 AFSL-247140**

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 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 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

---

**[www.granthornton.com.au](http://www.granthornton.com.au)**

## 4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

## 5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of the Report, Grant Thornton Corporate Finance will receive a total fee inclusive of all of the Merger Companies Reports of \$150,000 (excluding Technology and administration fee and GST), which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

## 6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

## 7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

## 8 Independence

Grant Thornton Corporate Finance is required to be independent of the Merger Companies and Duxton Farms in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with the Merger*

*Companies or Duxton Farms that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Transaction.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Transaction, other than the preparation of the Report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of the Report. This fee is not contingent on the outcome of the Transaction.*

*Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of the Report.*

## 9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the National Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

### **Australian Financial Complaints Authority**

GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## 10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

## 11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

### **National Head of Corporate Finance**

Grant Thornton Corporate Finance Pty Ltd  
Level 26, Grosvenor Place  
225 George Street  
Sydney, NSW, 2000

## **Annexure D – Proxy Form**

## Need assistance?



**Phone:**

1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

DBF

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Duxton Farms Limited Extraordinary General Meeting

The Duxton Farms Limited Extraordinary General Meeting will be held on Friday, 10 October 2025 at 2:00pm (ACDT). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 2:00pm (ACDT) on Wednesday, 8 October 2025.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

DBF

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (ACDT) on Wednesday, 8 October 2025.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Duxton Farms Limited hereby appoint

☐ the Chairman of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Duxton Farms Limited to be held at Gilbert Suite, Adelaide Convention Centre, North Terrace, Adelaide SA 5000 on Friday, 10 October 2025 at 2:00pm (ACDT) and at any adjournment or postponement of that meeting.

Step 2

Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval to issue Duxton Farms Shares to the EP Placement Entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Duxton Farms Shares to Richard Magides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to acquire a substantial asset from the EP 10.1 Entities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to acquire a substantial asset from Richard Magides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue certain Duxton Farms Shares to Duxton Capital Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to amend the Investment Management Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/

/

Date

Update your communication details

(Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically