



11 June 2021

ASX Announcement (ASX: D2O)

Investor Presentation Notice - MST Access Australia Micro and Small Caps Conference

Duxton Water Limited will be presenting to investors and shareholders at the MST Access Australia Micro & Small Caps Conference on Tuesday 15 June at 4.15pm AEST.

The presentation attached will be presented by Bridget Johnson, Company Chairman, Ed Peter and Portfolio Manager for Strategy and Research, Lachlan Campbell. The presentation will provide an overview of the Company followed by a short Q&A session.

To join the presentation, please click the webinar link below.

<https://mstfinancial-au.zoom.us/j/81754480297>

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This announcement has been authorised for release by Ed Peter, Chairman of Duxton Water Limited.



DUXTON
WATER

DUXTON WATER LTD

MST SMALL CAP CONFERENCE

JUNE 2021



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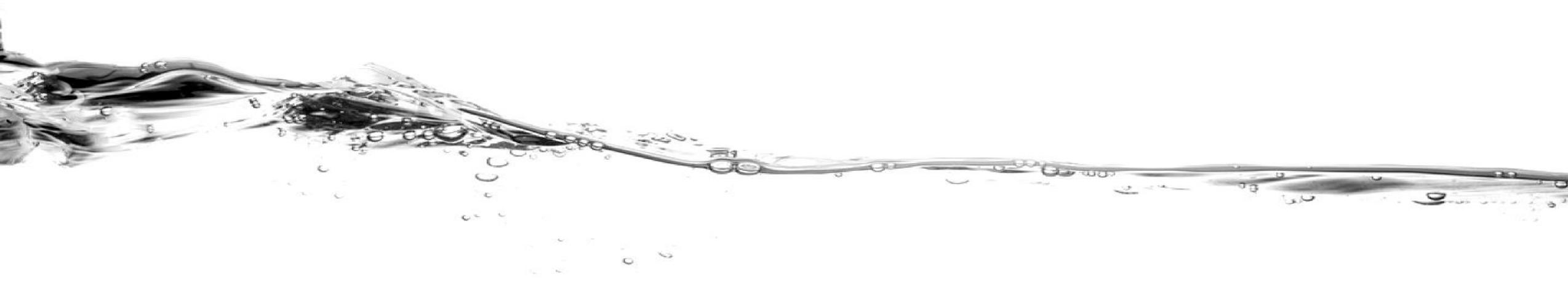
FINANCIAL DATA

All references in this presentation to "\$" are to Australian currency, unless otherwise stated. A number or figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in the presentation.

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Australian Water Market
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The Portfolio
.....
Long Term Drivers
.....
Climate Outlook
.....
Q&A



Since IPO
in September 2016
Duxton Water
has

invested over
\$241 million
in Australian water assets (cost).
Now valued at*
\$311 million

Currently, **78%**
of the High Security portfolio
is leased,
providing the company with
cashflow visibility

enabling D20 to pay
fully franked
dividends per share
of **5.7 cents**
In 2020

*As at 30 April 2021

Murray Darling Basin

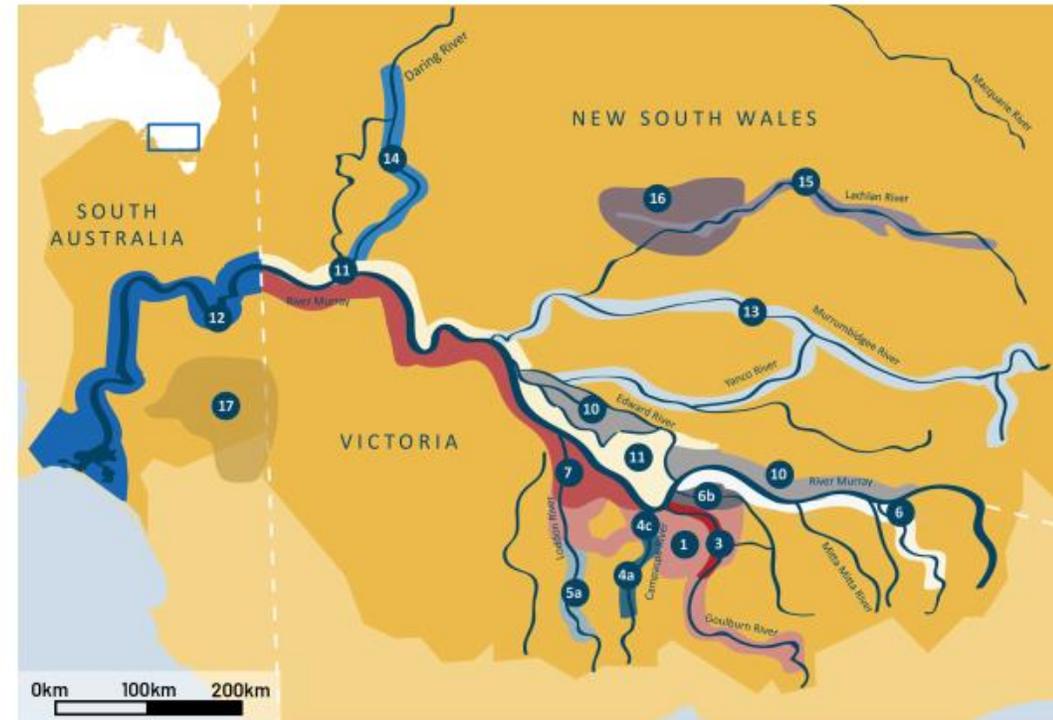
- There are \$26bn of water entitlements on issue in the southern Murray Darling Basin (“sMDB”).

Water Entitlements

- Perpetual rights to a defined share of water within a river system.
- Similar ownership characteristics to a land title – water entitlements can be bought, sold or leased.
- Several different types of entitlements, classified by characteristics such as the region or security.

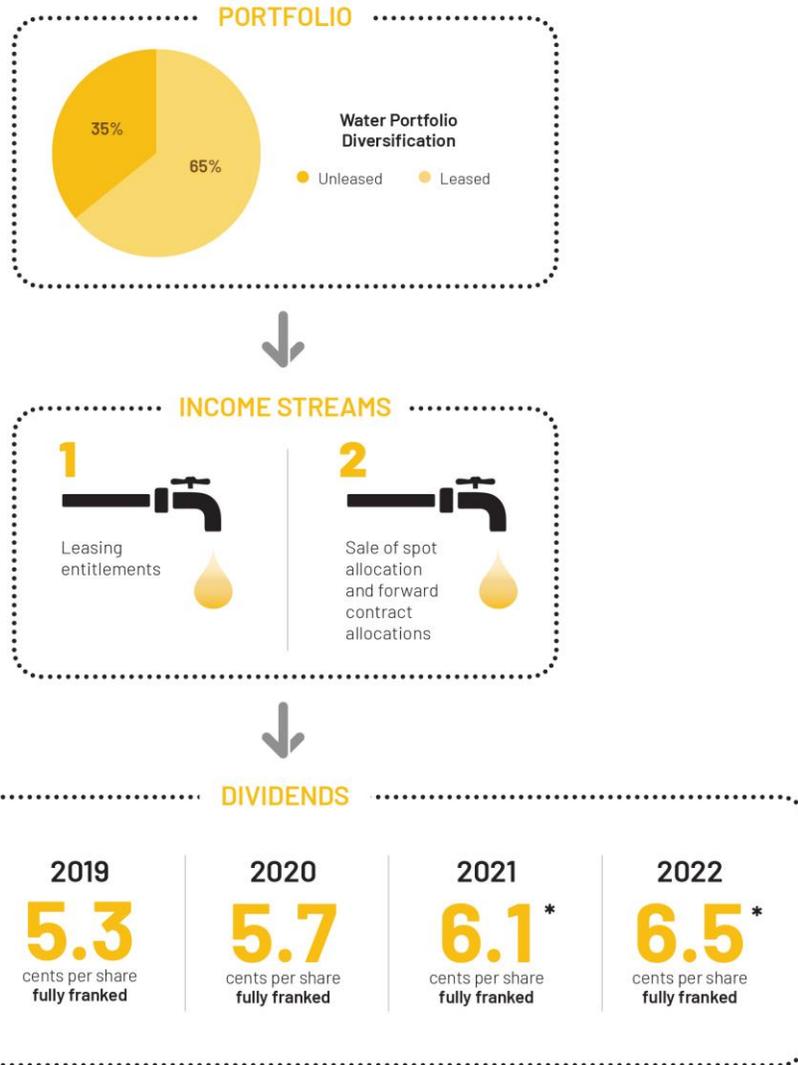
Water Allocation

- The volume of water allocated annually against a water entitlement. Expressed as a percentage, water allocations are made progressively by the respective states throughout the year.
- State authorities first allocate water for human and environmental consumption, followed by irrigation needs.



Interstate Water Trading Zones

1 – Greater Goulburn	5a – Part Loddon	10 – NSW Murray above Barmah Choke	14 – Lower Darling
3 – Lower Goulburn	6 – Vic Murray above Barmah Choke	11 – NSW Murray below Barmah Choke	15 – Lachlan
4a – Part Campaspe	6b – Lower Broken Creek	12 – South Australia Murray	16 – Lower Lachlan Groundwater
4c – Lower Campaspe	7 – Vic Murray from Barmah Choke to SA Border	13 – Murrumbidgee	17 – SA Mallee Groundwater
			Murray Darling Basin
			River



During 2020, **Duxton Water** paid two fully franked dividends to shareholders, totaling 5.7 cents per share. The Company maintains its commitment to deliver a biannual dividend.

The Company is pleased to reaffirm its intention to pay the following fully franked dividend targets:

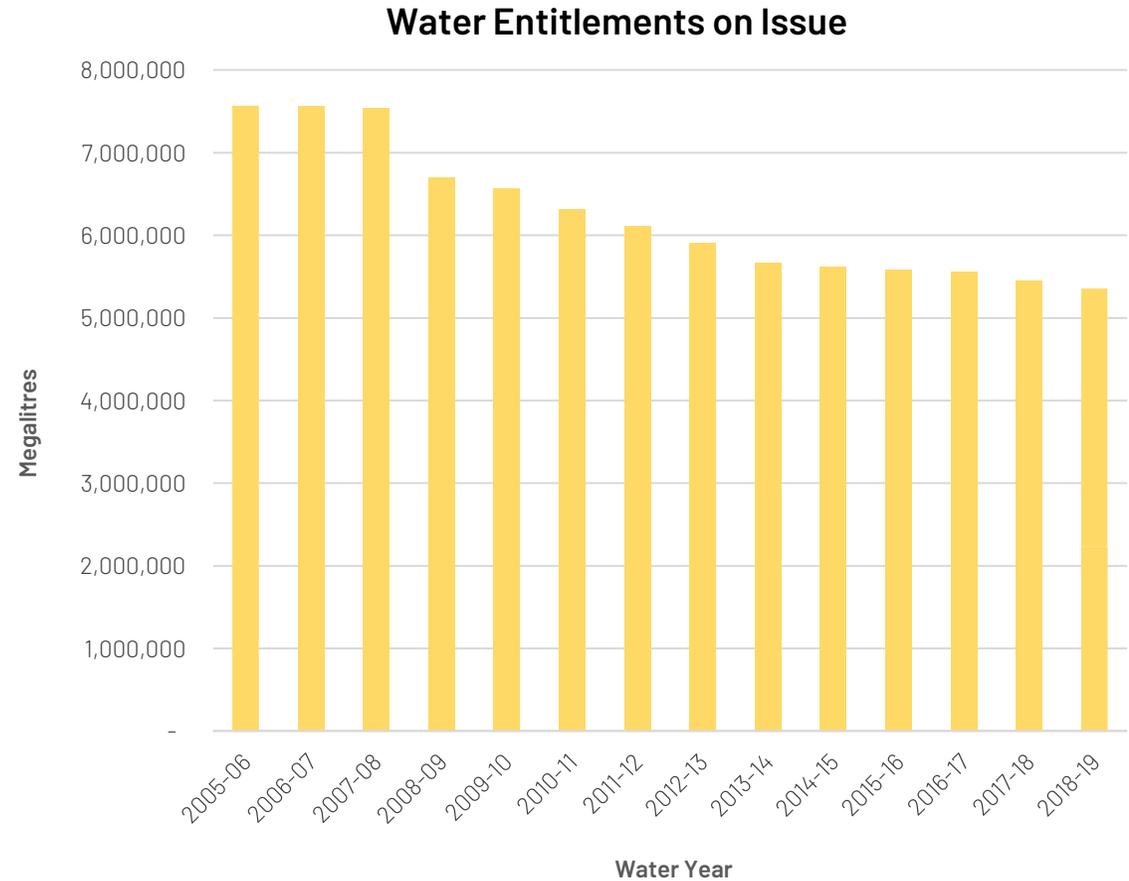
- Interim 2021 – 3.1 cents per share
- Final 2021 – 3.2 cents per share
- Interim 2022 – 3.3 cents per share
- Final 2022 – 3.4 cents per share

* Targeted dividends

The Government buy-back program has decreased the water available for consumptive use in the MDB.

This initiative aims to support environmental water requirements by reducing the consumptive pool of water available for irrigated agriculture.

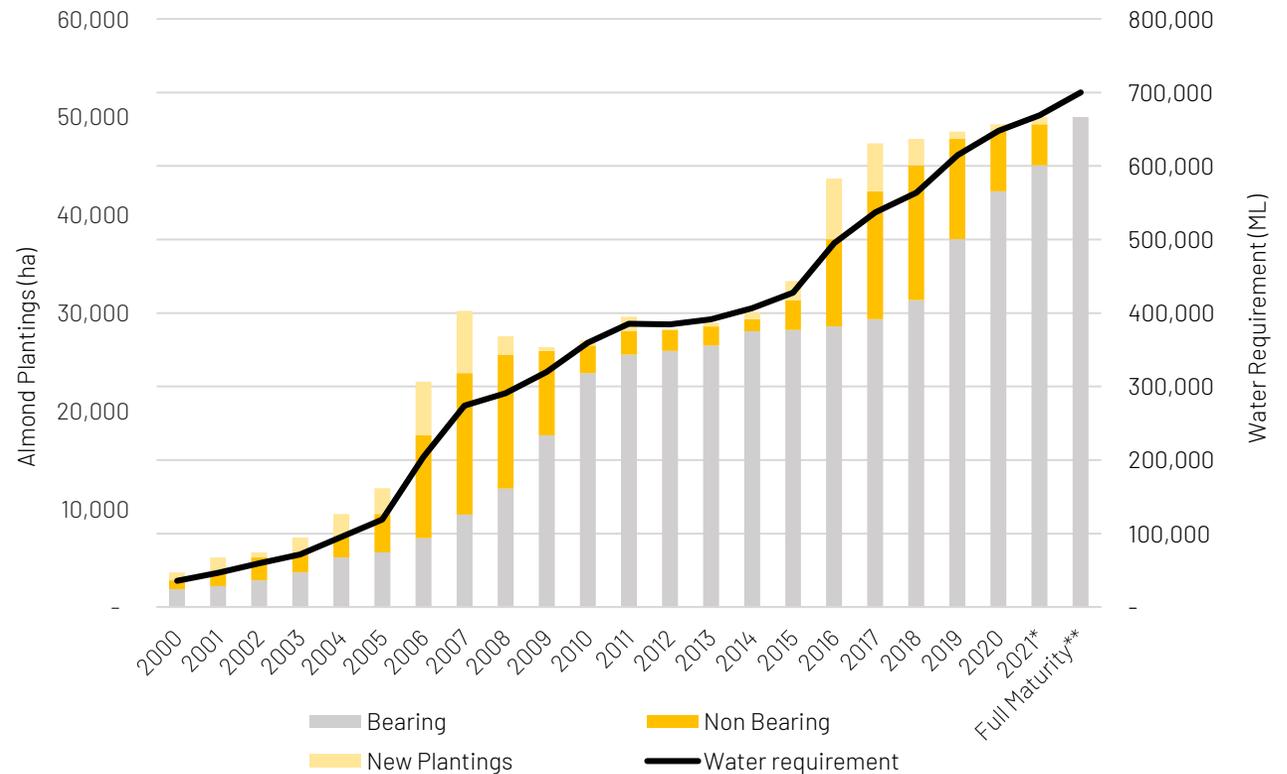
The Government has bought back 31% of High Security and 27% of General Security entitlements from the consumptive pool.



Large Increase in Permanent Horticulture which has an inelastic water requirement.

- **15x** increase in mature almond plantings since 2000.
- **30%** of all almond trees planted in the sMDB have been planted in the last 5 years (i.e. not yet mature).
- At planting stage, almond trees use 3ML of water per ha annually, and build up to 14ML per ha after maturity.
- Current almond plantings will need ~700GL annually when they reach full maturity.
- This is equal to 32% of all high security entitlements available to Irrigators.

Australian Almond Industry Growth



*Based on Almond Board of Australia expectations
 **Based on full maturity of Almond Board of Australia expectations
 Source: Australian Almonds, Orchard Size Statistics

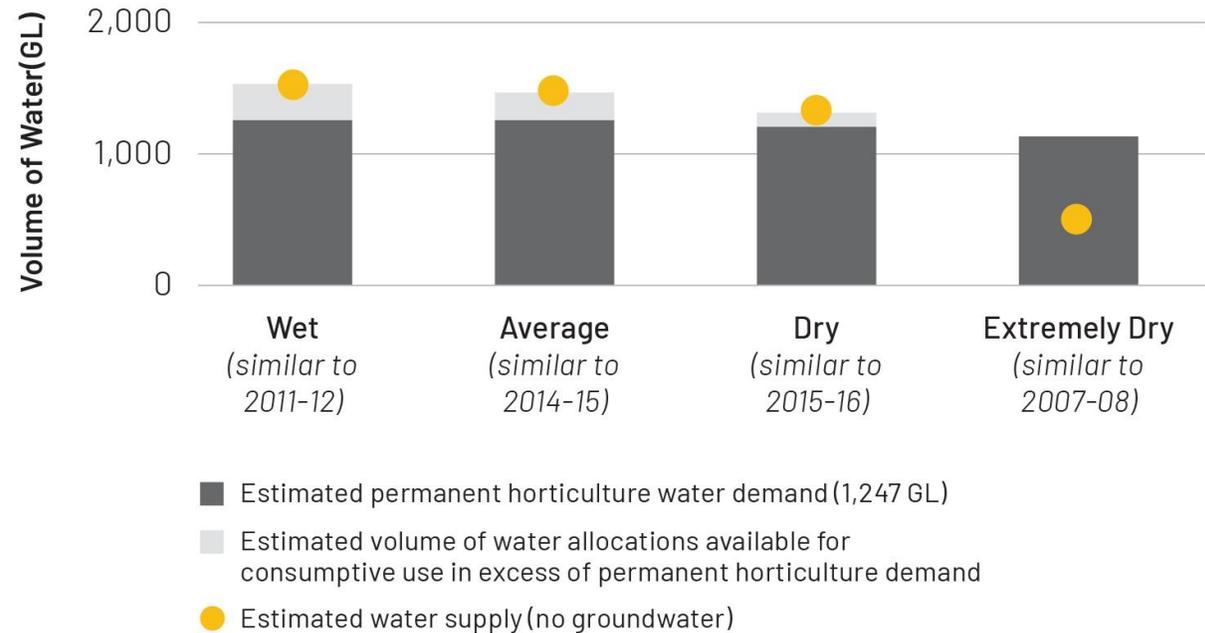
Permanent horticulture has a highly inelastic demand for water due to the high capital costs to plant permanent crops.

Existing permanent horticulture in the Lower Murray will demand an estimated 1,250GL per annum at full maturity, potentially 100-250GL less than the total water available in a medium to dry year.

This suggests that under an extremely dry scenario, the water supply within the Lower Murray may only meet 40% of existing permanent horticulture water demand (at full maturity).

Upward pressure is placed on both entitlement and allocation prices as demand increases and supply decreases.

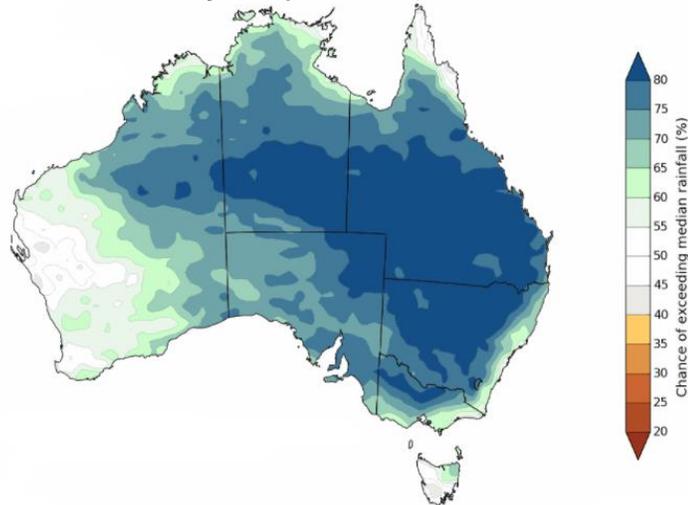
Water Requirements of Permanent Horticulture in the Lower Murray Region



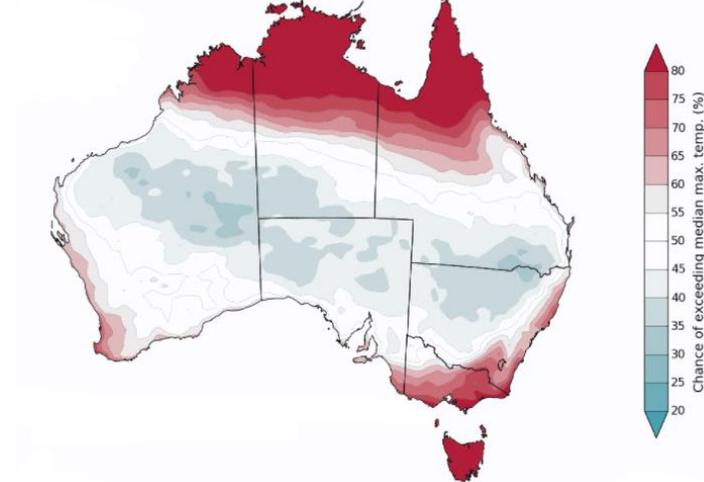
Climate Outlook

- Above average rainfalls are expected for July to September
- Winter temperatures are likely to be warmer than average for northern and south-eastern parts of Australia, while temperatures across the southern Murray Darling Basin are expected to be average
- River inflows are likely to be near-median at forecasted locations across Australia.

Chance of Exceeding Median Rainfall ⁴
July to September 2021



Chance of Exceeding Median Maximum Temperature ⁵
July to September 2021



4. Bureau of Meteorology
5. Bureau of Meteorology

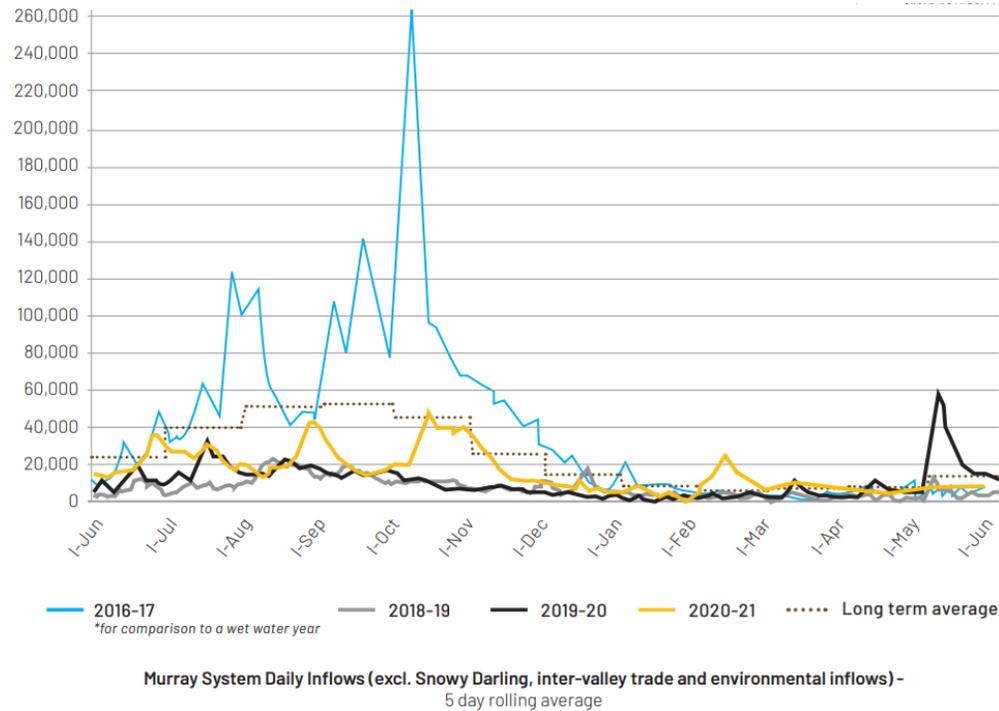
Opening Allocations

- Water allocations will be lower in dry years and higher in wet years.
- Allocation is made first to High Security entitlements and then to General Security entitlements if there is sufficient water in the system.
- High Security assets command a higher value based on their ability to receive allocation in both wet and dry years.
- In wet years, General Security entitlements can receive an a high allocation comparative to capital cost.

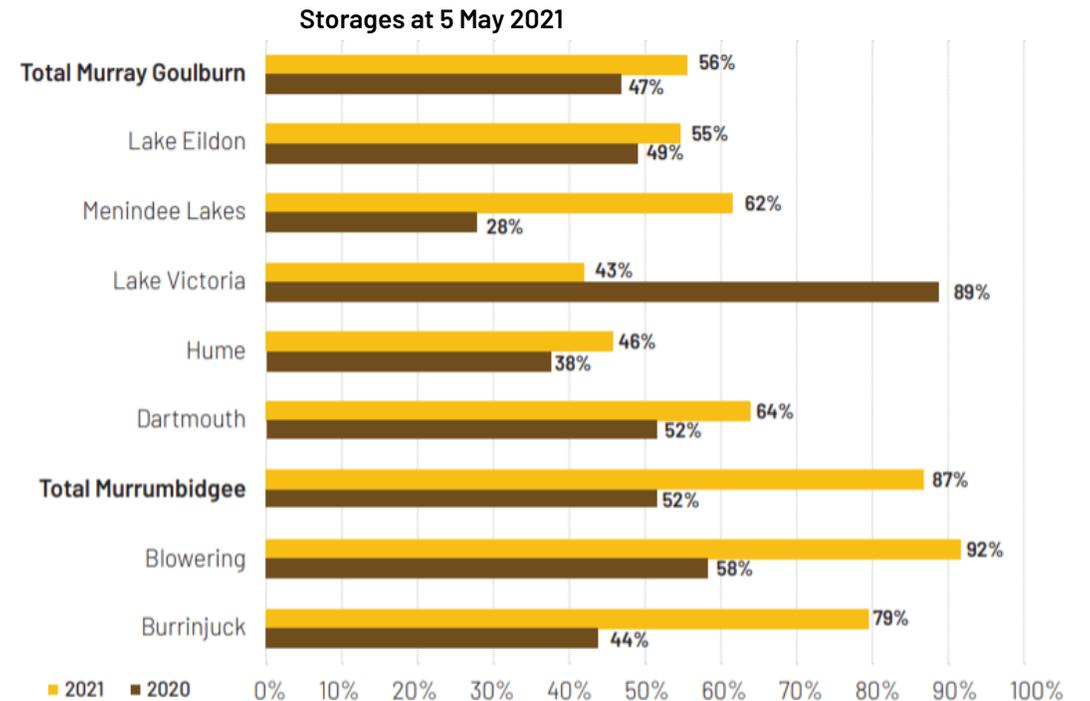
Water Season 2021/2022	Projected Minimum Opening (High Security)	Projected Minimum Opening (General Security)
VIC (Murray, Goulburn, Campaspe and Loddon)	25%	0%
NSW (Murray)	97%	0%
NSW (Murrumbidgee)	95%	27%
SA (Murray)	94%	0%

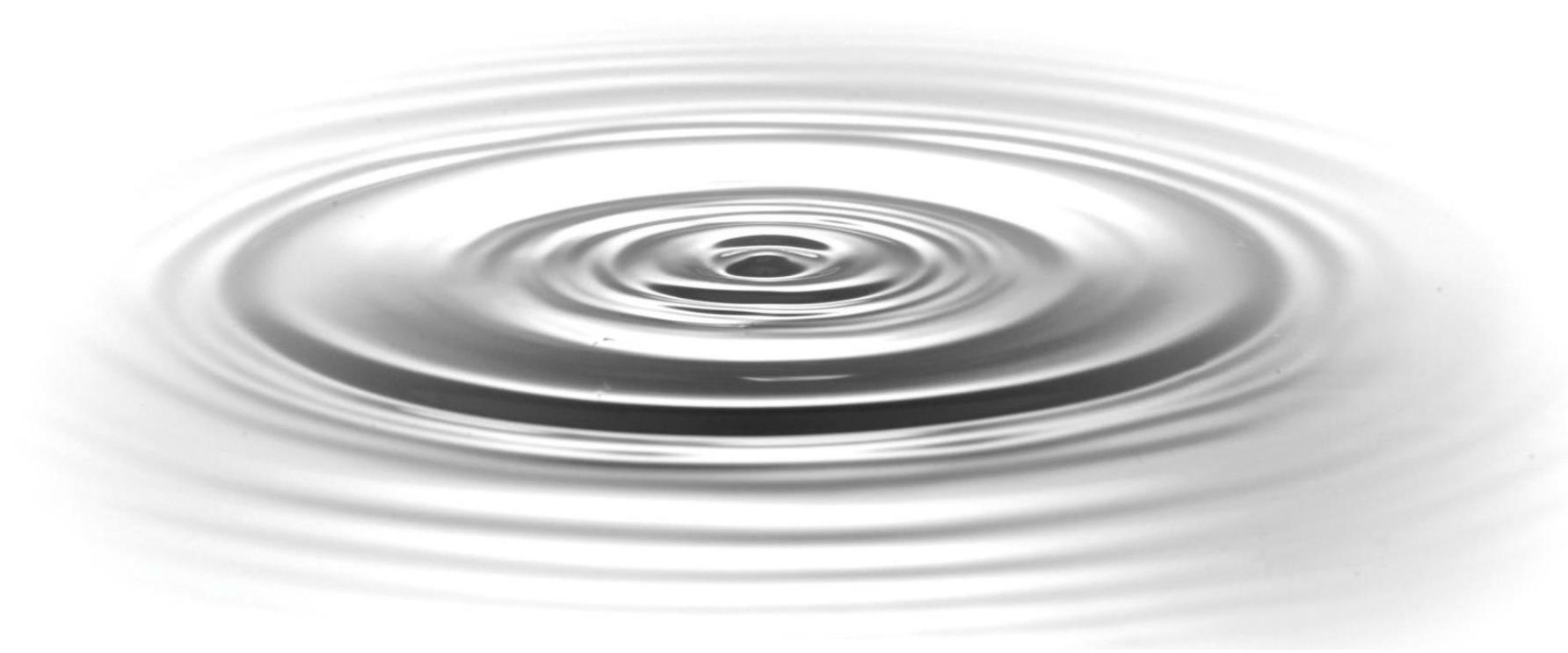
Current Inflows & Storages

Murray System Daily Inflows³



Murray Darling Basin Storage Levels







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