

APPENDIX 4E
Duxton Broadacre Farms Limited
ACN: 129 249 243
Preliminary Final Report
For the Year Ended 30 June 2018
Under ASX Listing Rule 4.3A

1. Reporting period

The financial information contained in the attached financial report is for year ended 30 June 2018. The previous corresponding period was for the year ended 30 June 2017.

2. Results for announcement to the market

		Change %		June 2018 \$'000
Revenue from ordinary activities	Up	292%	To	14,555
Loss after tax attributable to the owners of the company	Up	72.6%	To	420
Net loss for the year attributable to the owners of the company	Up	72.6%	To	420

Duxton Broadacre Farms has reported a loss for the year after tax of \$0.420m (2017: loss \$1.532m).

Commentary on the results for the year and significant information

During May 2017 DBF entered into a contract with Wyalong Rural Investments Pty Ltd ("WRI") to purchase the majority of its' assets including land, structures, water, PPE and winter crops in ground. This contract was expected to be completed in June 2017. At the time the contract was signed, the fair value of the WRI crops in ground was \$4,697,895. Due to various factors beyond the control of both DBF and Wyalong, completion was delayed until 27 October 2017 at which point the fair value of the crop net of costs had increased by approximately \$1.3m. The increment in fair value was required to be recognised as part of the business combination and is not included in the result for the period. The Company has obtained the cash benefit through the crops subsequent sale.

In addition, DBF also incurred \$375,684 of one-off expenses in relation to the initial public offering of the company that occurred in February 2018.

Set out below is a comparison of the statutory earnings and adjusted earnings which reflect the result had the acquisition occurred at the beginning of the half year period as anticipated along with the exclusion of listing costs:

	Adjusted Earnings* 30 June 2018	Statutory Earnings 30 June 2018
Gross profit plus cropping costs	11,403,052	11,403,052
Cropping Cost	(6,452,928)	(7,790,082)
Listing Costs	-	(375,684)
Other items	(3,260,622)	(3,260,622)
Profit before income tax	1,689,502	(23,336)

For further information regarding the financial results of the Company, please refer to the Annual Report of the Company for the year ended 30 June 2018 which is attached to this appendix.

3. Net Asset (NA) backing per share

	30 June 2018	30 June 2017
	\$	\$
Net asset per ordinary share	1.6989	1.5957

Net Tangible Asset (NTA) backing per share

	30 June 2018	30 June 2017
	\$	\$
Net tangible asset per ordinary share	1.5944	1.2434

Net tangible assets per share has increased following the acquisition of Wyalong and Yarranlea aggregations

4. Details of entities over which control has been gained or lost during the period

In October 2017, 20,313,420 shares were issued for the acquisition of the related entity Wyalong Rural Investments Pty Limited. Debt funding was later used to acquire a second aggregation referred to as Yarranlea. A further 14,070,018 shares were issued in January 2018 as part of the initial public offering.

5. Dividends

There were no payments of dividends during the period.

6. Dividend Reinvestment Plan

There is no dividend reinvestment plan in operation.

7. Associates or Joint Ventures

There are no associates or joint venture entities.

8. Foreign Entities

Not applicable

9. Audit qualification or review

The financial statements have been audited and an unqualified audit opinion has been issued.

Other information

This report is based on the financial statements for the year ended 30 June 2018 which have been audited by Deloitte.