

## ASX Release

3 August 2020

### Subject: Maryborough acquisitions

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Rural Funds Management Limited (RFM), as responsible entity and manager for the Rural Funds Group (ASX: RFF) has contracted to acquire 5,409 ha of sugar cane farms (with associated plant and equipment) and 8,060 ML of water entitlements from MSF Sugar Pty Ltd (MSF) for \$81.1m (excluding transaction costs).

RFM intends to progressively convert the farms to approximately 2,200 ha of macadamia orchards, with a substantial portion of the remaining area able to be used for cropping. RFM is in discussions with several potential lessees and will provide further details of the agreed development program in due course.

Approximately 25% of the MSF farms are leased at rates consistent with RFF's other natural resource predominant assets. RFM will seek to lease the balance of the cane farms which are currently operated. The transaction will include a two-year off-take agreement in respect to the cane produced on the farms, or a reduction in the purchase price.

The transaction includes an opportunity to purchase additional water rights. Settlement is expected to occur in October 2020 and will be funded from an approved increase to RFF's debt facility. There are no changes to forecast FY21 distributions per unit of 11.28 cents.

### About Rural Funds Group (RFF)

RFF owns a diversified portfolio of high quality Australian agricultural assets. RFF's investment objective is to generate a stable income stream derived from leasing its assets to suitable counterparts and capital growth through any appreciation in the value of those assets. RFF is a stapled security, incorporating Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805), trading under the ASX code 'RFF'.

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