

Rural Funds Group 10 YEARS

ASX:
RFF

Managed by:

 Rural
Funds
Management
Managing good assets with good people

Financial results presentation

for the financial year ended 30 June 2024

23 August 2024



Disclaimer and glossary of terms

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Glossary of terms

Adjusted NAV – Net asset value (NAV) adjusted for the independent valuation of water entitlements, **Adjusted total assets** – Total assets adjusted for the independent valuation of water entitlements, **ASX** – Australian Securities Exchange, **AFFO** – Adjusted funds from operations, a financial metric used in the REIT sector to measure available cash flow from operations (adjustment relates to non-cash tax expense), **AWF** – Australian Wine Fund, **Capex** – Capital expenditure, **CPI** – Consumer Price Index, **cpu** – Cents per unit, **DPU** – Distributions per unit, **e** – End, **Earnings** – Calculated TCI/weighted average units, **EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortisation, **EPU** – Earnings per unit (calculated TCI/weighted average units), **f** – Forecast, **Fair value** – Value of an asset as determined by an independent valuation, **FIRB** – Foreign Investment Review Board, **FY** – Financial year, **FY24** – Full-year ended 30 June 2024, **FY25** – Full-year ended 30 June 2025, **FY25f revenue** – Full-year ending 30 June 2025 forecast, unless otherwise stated includes AFFO contribution from farming operations from owner-occupied properties and contracted rent from TRG JV cropping leases subject to conditions precedent being satisfied, including FIRB approval, **Gearing** – Calculated as external borrowings/adjusted total assets, **GL** – Gigalitre, **Group** – Term used for the Rural Funds Group, **ha** – Hectare(s), **ICR** – Interest Cover Ratio, a bank covenant calculated as EBITDA for previous 12 months divided by Interest Expense for previous 12 months, **LVR** – Loan to valuation ratio, a bank covenant calculated as bank debt and J&F guarantee divided by tangible assets (including water entitlements), **ML** – Megalitre, **m** – Million(s), **NAV** – Net asset value, calculated as assets minus the value of liabilities (does not recognise fair value of water entitlements), **NTA** – Net Tangible Assets, **Owner-occupied properties** – Unleased properties which are operated by RFF including macadamia orchards (Swan Ridge, Moore Park, Beerwah and Bauple); sugar cane (Maryborough x5); and cattle (Yarra and Kaiuroo), **P&E** – Plant and equipment, **RFA** – RF Active, **RFF** – Rural Funds Group (ASX: RFF), **RFM** – Rural Funds Management Limited, manager and responsible entity for RFF, **RFT** – Rural Funds Trust, **TCI** – Total comprehensive income, **Total assets** – Total value of assets as presented on the balance sheet (water entitlements recorded at the lower of cost or fair value), **TRG JV** – Joint venture between TRG (The Rohatyn Group) and a global institutional investor, **WALE** – Weighted average lease expiry, calculated as the FY25 forecast rent and the year of lease expiry (excludes J&F Australia guarantee fee, income from annual water allocation sales, operating income from owner-occupied properties and other income), **x** – Times, **1H24** – First-half 2024 (ending 31 December 2023), **2H24** – Second-half 2024 (ending 30 June 2024).

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Presenters



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General Manager – Investor
Relations, Corporate Affairs
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Financial results summary

Learn more:



Beerwah macadamia orchard, south-east Queensland, June 2024.

Beerwah macadamia orchard 340 ha (planted area)

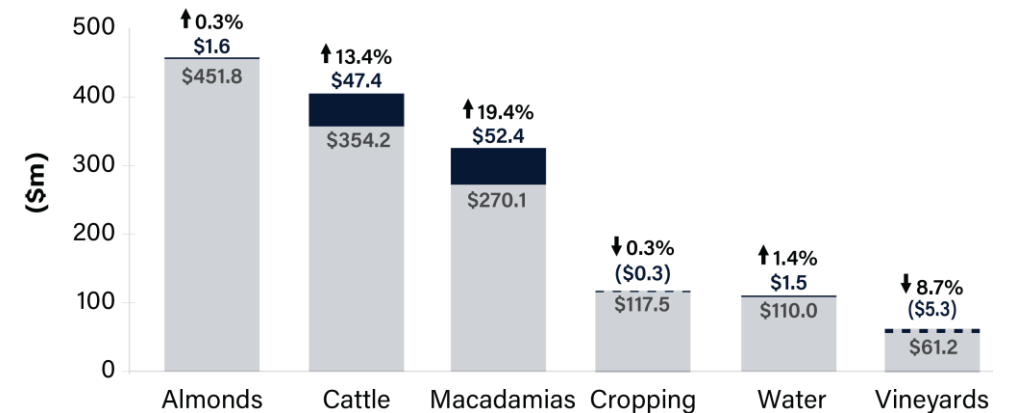
Earnings summary

Property revenue increased 8% primarily due to macadamia developments.

- **Property revenue** increased \$6.5m, or 8.0%, primarily due to additional rental income earned on macadamia developments and lease indexation.
- **Earnings** of \$117.2m, or 30.28 cpu, driven by independent property valuations.
- **AFFO** of 11.0 cpu:
 - assisted by rent payable on capex deployed for second tranche of macadamia developments following issuance of Rookwood Weir water entitlements.
- **DPU** of 11.73 cents in line with forecast.
- **Independent property valuations** arranged for \$1.2b of adjusted total assets (69% of the portfolio) resulting in a net valuation increase of \$97.3m.¹

Income and earnings metrics	FY24	FY23
Property revenue – \$	88,372,000	81,824,000
Total comprehensive income (TCI) – \$	117,155,000	115,521,000
Earnings per unit (EPU) – cents	30.28	30.10
Adjusted funds from operations (AFFO) – \$	42,373,000	41,077,000
AFFO per unit – cents	11.0	10.7
Distributions per unit (DPU) – cents	11.73	11.73

Independent valuations FY24²



Notes:

1. Percentage based on 30 June 2023 adjusted values (excluding capex since 30 June 2023 of \$0.1b).
2. Value of assets externally revalued in FY24 shown in grey bars (inclusive of capex since 30 June 2023 of \$0.1b, excluding revaluation). Revaluation movement (plus/minus) \$ and % shown above bar. Revaluation movement includes depreciation on bearer plants and owner-occupied properties.

Balance sheet summary

Adjusted NAV per unit increased 7% primarily due to independent valuations.

- **Adjusted total assets** increased by \$241.1m, or 13.3%, primarily due to:
 - revaluations (including depreciation) of \$94.3m and
 - capex of \$130.9m.
- **Gearing** (pro forma) 37.3% adjusting for partial sale of Mayneland and Baamba Plains, and other transactions.¹
- **Adjusted NAV** per unit increased \$0.21 to \$3.14.

Balance sheet metrics	30 June 2024	30 June 2023
Total assets – \$	1,901,214,000	1,671,009,000
Adjusted for water at fair value – \$	146,442,000	135,514,000
Adjusted total assets – \$	2,047,656,000	1,806,523,000
External borrowings – \$	787,558,000	640,415,000
Gearing – %	38.5	35.5
Net asset value (NAV) – \$	1,071,317,000	993,159,000
NAV per unit – \$	2.76	2.58
Adjusted NAV – \$	1,217,759,000	1,128,673,000
Adjusted NAV per unit – \$	3.14	2.93

Adjusted NAV per unit movement



Note:

1. Pro forma includes Mayneland and Baamba Plains partial sale (\$39.2m) plus associated plant and equipment (\$6.1m) which is expected to settle early FY25 subject to various conditions precedent and FIRB approval; and investment in Inform Ag (\$7.0m).

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Capital management

Learn more:



Chickpeas under lateral irrigation at Baamba Plains, central Queensland, June 2024.

Capital management

Debt facility refinanced and additional forward dated interest rate hedges entered.

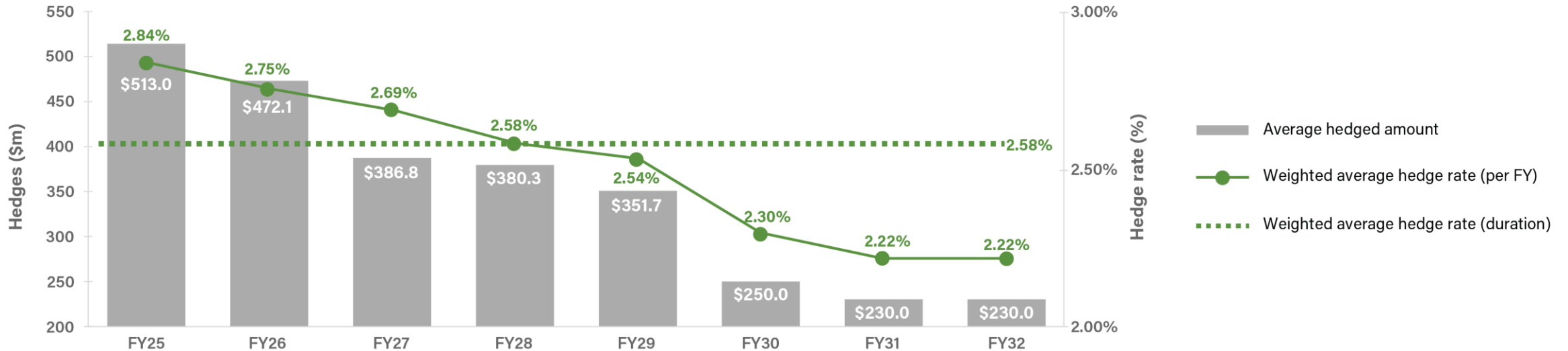
Equity

Item	Details
Distribution	FY24 DPU 11.73 cents. Forecast FY25 DPU 11.73 cents.
DRP	Remains open with 1.5% discount. FY24 average DRP participation 12.5%.
Trading price	Increase of 11.5% (\$1.77 to \$2.00) from 30 June 2023 to 30 June 2024. Current price \$2.09 (21 August 2024).

Debt

Item	Details
Facility	Increase of syndicated debt facility limits, and extension of tenor completed in December 2023.
Limit	Total debt facility limits increased to \$867.4m (FY23 \$794.5m)
Maturities	\$24.5m - March 2025, \$340m - November 2025, \$410.0 - November 2026 and \$92.9m March 2030. ¹
Hedging	Interest rate hedges totalling \$80.0m entered since 1 July 2023.

Interest rate hedging profile and hedge rate (FY25-FY32)



Note:

1. Facility maturing FY25 pertains to the Wyseby property, expected to be refinanced by debt syndicate upon subdivision.

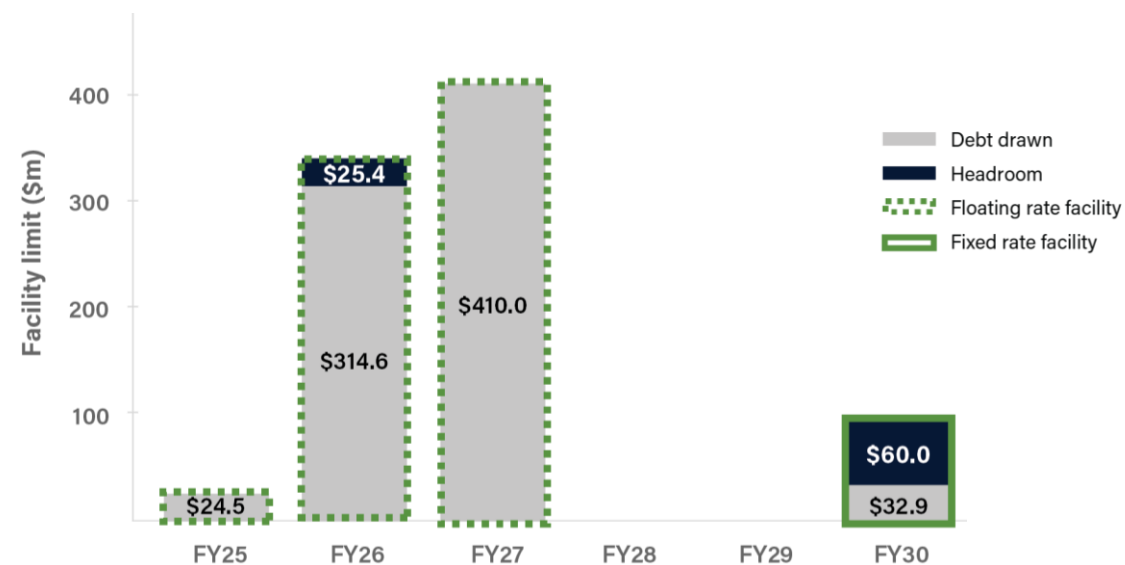
Debt facilities

Pro forma headroom of \$98.4m sufficient for committed capex requirements.¹

Debt facility metrics

		30 June 2024	30 June 2023
Debt facilities	Facilities limit ^{2,3}	\$867.4m	\$794.5m
	Debt drawn	\$782.0m	\$637.7m
	Headroom	\$85.4m	\$156.8m
Covenants	Loan to Value Ratio (LVR) ^{2,5}	48.5%	45.3%
	Interest Cover Ratio (ICR) ²	2.11	2.91
	Adj. Net Tangible Assets (NTA) ²	\$1,217.8m	\$1,073.2m
Cost	Cost of debt ⁴	4.73%	4.29%
Hedging	Total amount hedged ⁶	\$513.0m	\$253.0m
	Proportion debt hedged and fixed ⁷	69.8%	45.7%
	Weighted average duration (yrs) ⁸	4.2	5.4

Debt facility limits, maturity (FY) and headroom⁷



Notes:

- Pro forma for \$13.0m relates to Mayneland and Baamba Plains partial sale (\$39.2m) plus associated plant and equipment net of funding (\$5.3m) which is expected to settle early FY25 subject to various conditions precedent and FIRB approval; offset by Wyseby debt refinance (\$24.5m); and investment in Inform Ag (\$7.0m).
- Key financial covenants FY24: LVR <55%, ICR >1.50x, with distribution permitted at >1.65x, Adjusted NTA including water entitlements >\$400m, undertaking to maintain minimum 40% hedging. Hedging requirement may vary with bank consent.
- Security: real property mortgages, general security agreement, cross guarantees between RFF and subsidiaries.
- 12-month total interest expense (including bank margin) plus cost of hedges, divided by average debt drawn. Includes capitalised interest.
- LVR calculated as term debt drawn plus guarantee of \$123.0m (as at 30 June 2024), excluding TRG JV debt drawn; divided by directly secured assets based on independent valuations.
- Current hedges only.
- Current hedges and total fixed debt drawn divided by total debt drawn.
- Duration remaining as at 30 June 2024 and includes forward start hedges.

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Portfolio and strategy update

Learn more:



Kerarbury almond orchard, Darlington Point NSW, August 2023.

Strategy

To generate capital growth and income from developing and leasing agricultural assets.

Leasing model

Maintain a majority of long WALE triple net leases of agricultural assets to high quality lessees.

Active management

Seek to improve assets by developing for improved productivity or higher and better use. Generate income during development phase by operating assets prior to leasing.

Diversification

Diversify by agricultural sector and climatic zone.

Capital management

Target gearing between 30–35%.

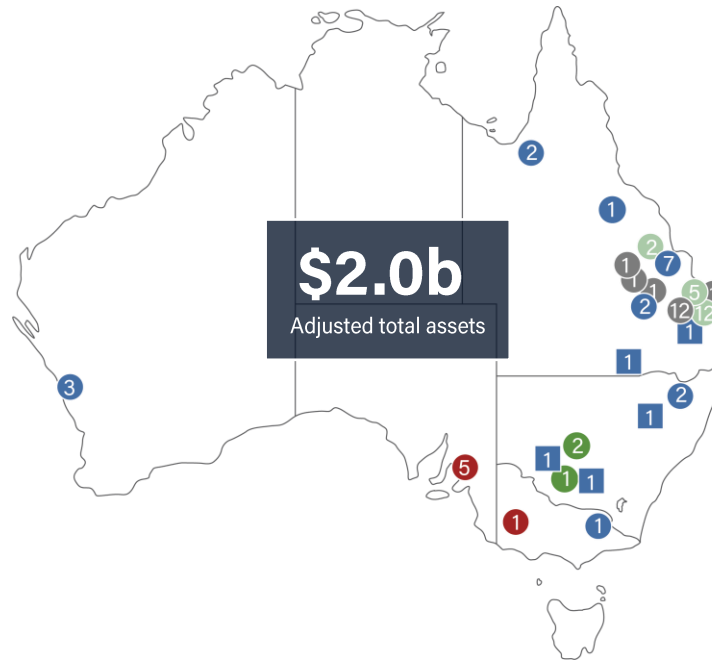
Investment criteria

Preference agricultural sectors where low-cost production assets can be acquired or developed. Focus on commodities where RFM has operating experience or Australia has a comparative advantage.

Portfolio overview

ASX-listed agricultural real estate investment trust.

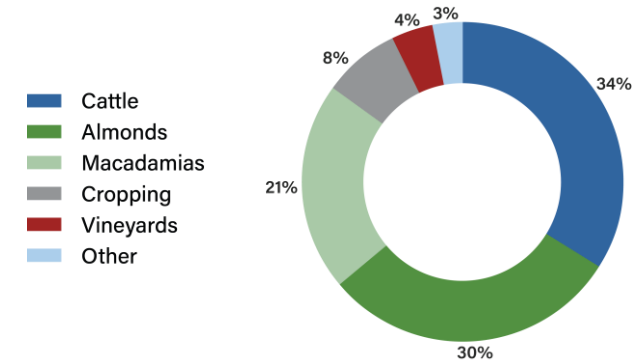
Asset map¹



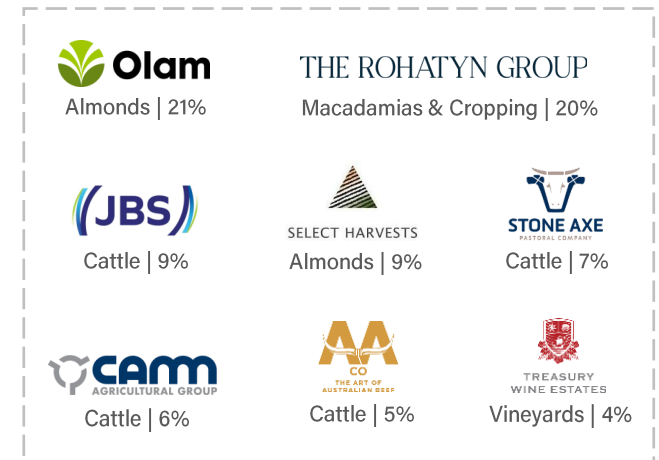
13.5yrs **\$3.14** **67**

WALE Adjusted NAV per unit Properties

FY25f revenue by sector²



Lessees by FY25f revenue³



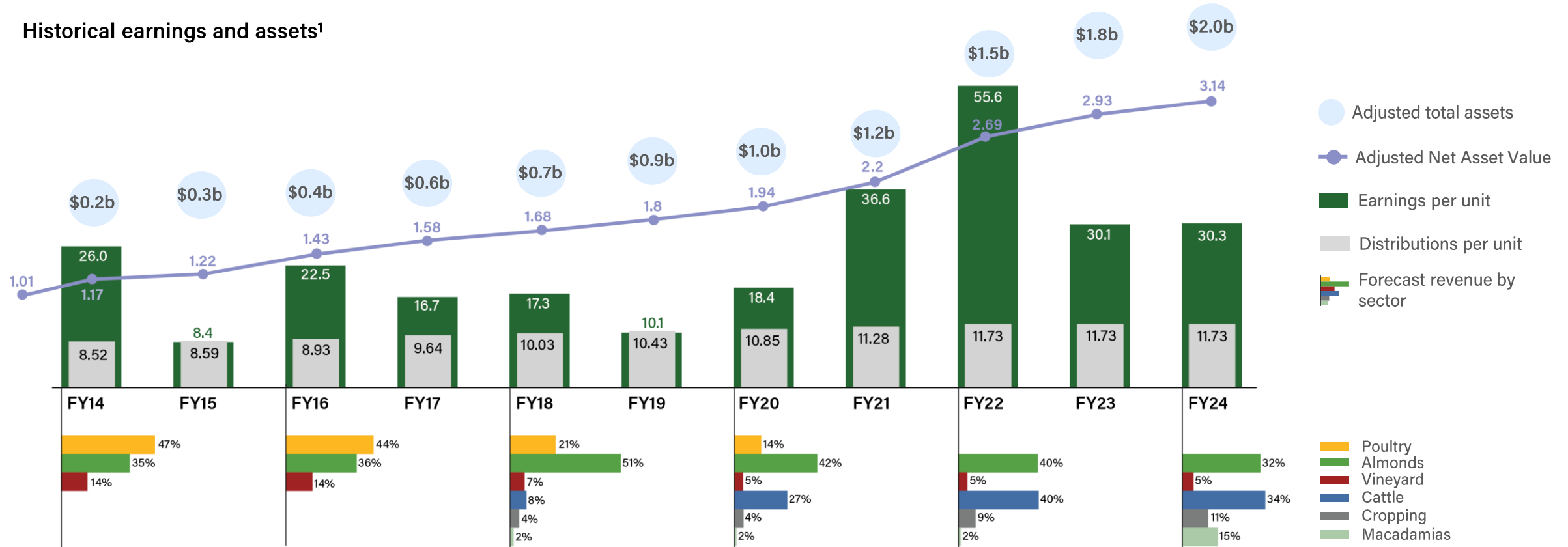
Notes:

- Numbers on the map denote number of assets. Blue square boxes represent cattle feedlots.
- FY25f revenue/total adjusted property assets – by sector: cattle \$35.9m/\$741.5m, almonds \$31.7m/\$453.6m, macadamias \$21.2m/\$402.1m, cropping \$7.9m/\$208.2m, vineyards \$4.7m/\$56.1m and other \$3.5m/\$90.2m. Includes TRG JV cropping leases, subject to conditions precedent being satisfied, including FIRB approval.
- Corporate and institutional lessees, includes TRG JV cropping leases, which is subject to conditions precedent being satisfied, including FIRB approval. See page 25 for further details.

Earnings and asset value growth

Reweighting of portfolio providing higher earnings and asset value.

Historical earnings and assets¹



Note:

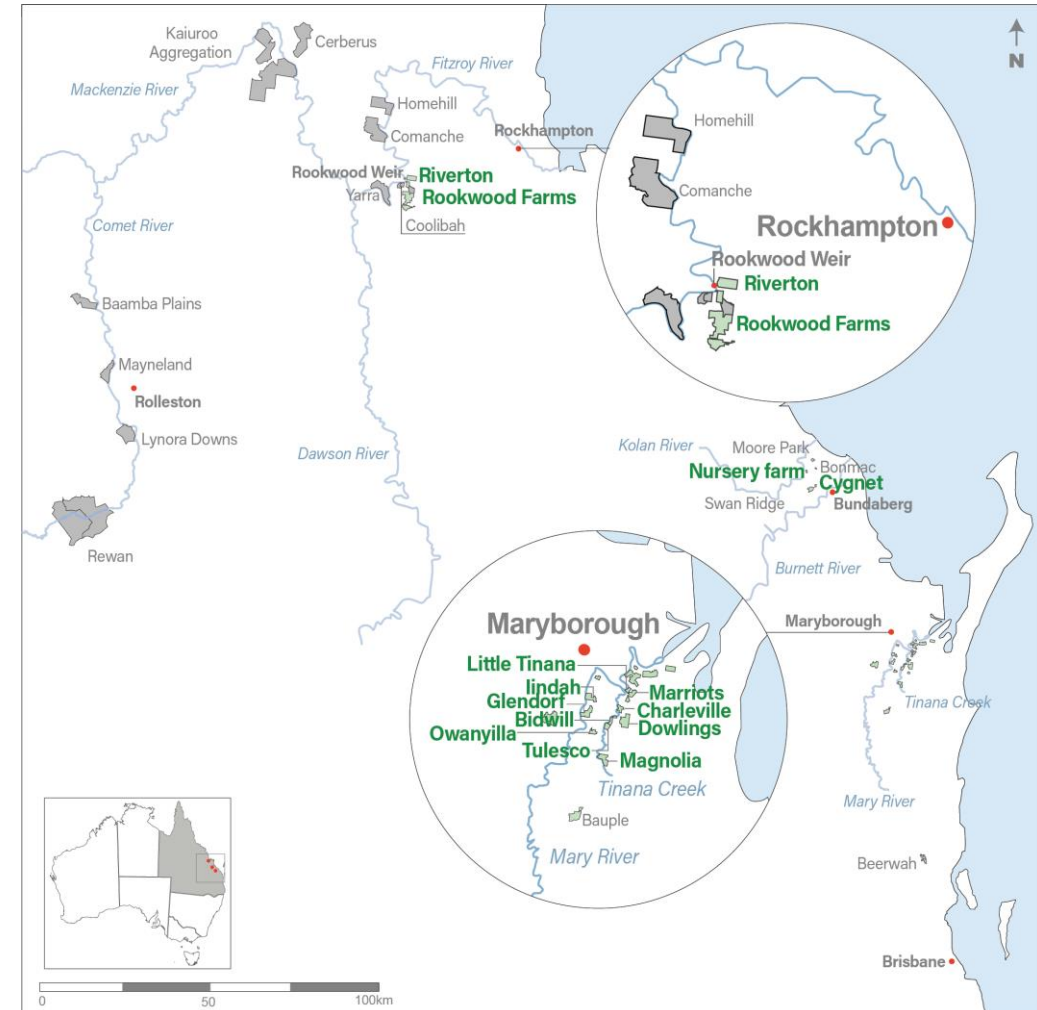
1. Forecast revenue by sector excludes "other" category.

Macadamia development update

Developments commenced 2021 are on track to be materially complete end of 2024.

- The TRG JV leased orchards are on track to be materially complete by year end, despite some delays due to above average rainfall.
 - The precision focused developments are expected to generate high yields and a low cost of production for the lessee.
- The orchards, which will represent an estimated 7% of Australia's total planted macadamia area, comprise 14 properties in three locations:
 - Maryborough (10 properties) 1,486 ha
 - Bundaberg (2 properties) 78 ha
 - Rockhampton (2 properties) 1,440 ha.
- The 40-year leases are forecast to generate 18% of FY25f revenue and increase in future years:
 - rent is earned on value of land, water and capex as it is deployed
 - \$217.0m capex deployed to FY24e, an additional \$70.2m forecast in FY25.

Macadamia orchard locations



Macadamia orchard technology

Technology and infrastructure seeking to optimise yield and management efficiency.

- Inform Ag is a technology company with multiple farm management platforms, including irrigation automation, data management and vehicle tracking.
- Inform Ag platforms and Wi-Fi 'mesh' networks are used on multiple RFF orchards, providing:
 - data collection including environmental, irrigation and sap flow
 - remote control of irrigation infrastructure
 - communication connectivity
 - dashboards for data-informed orchard management decision making
 - future potential to integrate autonomous vehicles and tracking systems.
- In July 2024 RFF entered into agreements to acquire 43% of Inform Ag (\$7.0m) and has options to acquire a total holding of 50% over the next two years.¹
- Inform Ag is an established, profitable and growing business. RFF's equity will largely be used to provide increased working capital for growth.

Environmental, tree and soil data collection



Remotely controlled irrigation



Management dashboard



Note:

1. Purchase of shares in July 2024 totals \$5.0m, convertible debt facility (two tranches) totals \$2.0m. Repayment of debt through issue of additional equity to RFF. The equity ownership in Inform Ag is 35%, increasing to 43% following the conversion of both tranches of the debt facility, with options over an additional 7%.

Leasing update

Continued progress on asset leasing.

- Continued progress on asset leasing:
 - Macadamia developments second tranche (\$133.9m assets) lease commenced June 2024 following issuance of Rookwood Weir water entitlements.
 - Mayneland and Baamba Plains cropping properties (\$75.7m) leases and 50% sale announced June 2024, which is subject to conditions precedent being satisfied, including FIRB approval.
 - Cerberus cattle property (\$26.1m) lease currently being documented.¹
- Assets operated:
 - Cattle properties Kaiuroo (\$75.5m) and Yarra (\$33.5m), being developed to cattle and irrigated cropping.
 - Land and water available for additional macadamia development (\$67.6m).
 - Mature macadamia orchards (\$97.1m).
- Management will pursue leases and partial sales of additional assets:
 - Strategy seeks to improve earnings, operating exposure and gearing.



Note:

1. The parties have not entered into any binding agreements and there is a chance that the negotiations will not be successfully concluded.

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Outlook and conclusion

Learn more:



Inspecting pivot irrigation, Yarra central Queensland, August 2023.



Outlook and conclusion

FY25 forecast AFFO 11.4 cpu and distributions 11.73 cpu.

- **Earnings** of \$117.2m, or 30.3 cpu driven by property valuations.
- **Ongoing leasing:**
 - macadamia developments second tranche commenced June 2024
 - Mayneland and Baamba Plains cropping properties¹
 - Cerberus cattle property being documented²
 - management will pursue leases and partial sales of additional assets.
- **FY25 forecasts:**
 - AFFO 11.4 cpu
 - distributions 11.73 cpu, representing distribution yield 5.6%.³

Notes:

1. Expected to settle early FY25 once various conditions precedent have been satisfied, including FIRB approval.
2. The parties have not entered into any binding agreements and there is a chance that the negotiations will not be successfully concluded.
3. Based on \$2.09 per unit close price on 21 August 2024.

Rural Funds Group attributes



Diversification

67 properties, five sectors and multiple climatic zones.



Structural rental growth

Mix of lease indexation mechanisms and market rent reviews.



Development pipeline

Productivity improvement and conversion to higher and better use opportunities.



Defensive property sector

Food production with inflationary hedge characteristics.



Quarterly distributions

March, June, September and December record dates.



Long WALE

13.5 years.



Quality lessees

~80% of FY25f revenue from corporate and institutional lessees.



Triple net leases

Property leases are largely triple net.

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Appendices

- A. Summarised comprehensive income
- B. AFFO composition
- C. Reconciliation of net profit to AFFO
- D. Summarised balance sheet
- E. Total assets reconciliation
- F. Property compendium
- G. Lessees
- H. Weighted average lease expiry and indexation
- I. Sustainability
- J. Investment and development strategy

Learn more:



Grapevines during fruit set at Geier vineyard, Barossa Valley SA, November 2023.

Appendix A – Summarised comprehensive income

- Revenue from farming operations and cost of goods sold relates to sale of farming proceeds (primarily cattle, cropping, sugar and macadamias).
- Other income mainly relates to annual allocation sales of unleased water.
- Property expenses increased mainly due to increased property rates and insurance costs.
- Property and other expenses – farming operations increased mainly due to farming operations on Kaiuroo (cattle and cropping), Baamba Plains (cropping), Swan Ridge and Moore Park (macadamias) and Yarra and Cerberus (cattle).
- Finance costs increased as a result of increase in interest rates and capital expenditure.
- Depreciation and impairments relates mainly to P&E owned within RF Active (RFA).
- Change in fair value of biological assets relates to farming operations (harvested and unharvested) on unleased Maryborough properties (sugar), Beerwah and Bauple (macadamias), Swan Ridge and Moore Park (macadamias), Yarra and Cerberus (cattle), Kaiuroo (cropping and cattle) and Baamba Plains (cropping).
- Property revaluations totalled \$83.4m (including bearer plants, investment property, intangibles and property owner-occupied).
- Income tax expense relates to RFA and AWF.¹ RFT treated as a flow-through trust for tax purposes.

Summarised statement of comprehensive income

	12 months ended 30 June 2024 \$	12 months ended 30 June 2023 \$
Property revenue	88,372,000	81,824,000
Revenue from farming operations	21,391,000	13,180,000
Revenue	109,763,000	95,004,000
Other income	2,740,000	3,493,000
Cost of goods sold – farming operations	(20,629,000)	(13,049,000)
Property expenses	(3,451,000)	(3,165,000)
Other expenses	(7,402,000)	(7,522,000)
Property and Other expenses – farming operations	(8,822,000)	(5,408,000)
Management fees ²	(9,976,000)	(8,558,000)
Asset management fees ²	(7,482,000)	(6,419,000)
Finance costs	(20,567,000)	(17,281,000)
Gain on sale of assets	444,000	802,000
Depreciation and impairments	(3,546,000)	(2,336,000)
Property revaluations – Bearer plants	(11,399,000)	(7,108,000)
Property revaluations – Investment property	58,057,000	61,106,000
Property revaluations – Intangible assets	1,400,000	(247,000)
Property revaluations – Property owner-occupied	(1,504,000)	(3,704,000)
Change in fair value of financial assets/liabilities	154,000	156,000
Change in fair value of biological assets – farming operations	7,077,000	513,000
Change in fair value of derivatives	(3,297,000)	8,930,000
Net loss from Macgrove acquisition	-	(1,036,000)
Profit before tax	81,560,000	94,171,000
Income tax (expense)/credit	(1,119,000)	327,000
Profit after tax	80,441,000	94,498,000
Other comprehensive income	36,714,000	21,023,000
Total comprehensive income	117,155,000	115,521,000
Weighted average units	386.9m units	383.8m units
Earnings per unit	30.28	30.10

Notes:

1. RFM Australian Wine Fund (AWF) is a subsidiary of Rural Funds Trust (RFT) that has formed its own tax consolidated group.
2. Management fees calculated 0.6% and asset management fees calculated 0.45% of adjusted total assets excluding acquisition costs of macadamia properties under development, Wyseby, Beerwah and Bauple, Kaiuroo for 1H24 and derivative financial assets. FY24 management fee is 0.93% of the average adjusted total assets during the year.

Appendix B – AFFO composition

- Adjusted funds from operations (AFFO) is pre-tax and excludes fair value adjustments, depreciation and impairment to represent RFF's operating result.
- Property expenses relate to costs directly attributable to the properties (eg insurance, rates and taxes on properties and applicable cost recovery). Other expenses relate to non-property overheads (eg ASX, bank, audit, registry fees and cost recovery).
- Farming operations relate to operations on unleased Maryborough properties, Beerwah and Bauple, Yarra and Cerberus, Swan Ridge and Moore Park, Kaiuroo and Baamba Plains. Change in fair value of biological assets related to the profit recognised for the harvested crops and cattle sold (or realised) during the year.
- Contracted farming cost recovery relates to the expected reimbursement of overheads for the Baamba Plains property during FY24.
- Property leases are largely triple net.

Composition of AFFO (pre-tax)

	12 months ended 30 June 2024 \$	12 months ended 30 June 2023 \$
Property revenue	90,594,000	82,226,000
Property expenses	(3,451,000)	(3,165,000)
Net property income	87,143,000	79,061,000
Other income	2,740,000	3,493,000
Other expenses	(7,402,000)	(7,522,000)
Management fees	(9,976,000)	(8,558,000)
Asset management fees	(7,482,000)	(6,419,000)
Farming operations		
Revenue from farming operations	21,391,000	13,180,000
Cost of goods sold – farming operations	(20,629,000)	(13,049,000)
Change in fair value of biological assets (realised from harvested crops and cattle) ¹	6,352,000	2,018,000
Change in fair value of biological assets (prior year unharvested crops realised during the year)	(581,000)	1,819,000
Property and Other expenses – farming operations	(8,822,000)	(5,408,000)
Contracted farming cost recovery (TRG cropping)	850,000	-
EBITDA	63,584,000	58,615,000
Income tax payable (AWF)	(644,000)	(257,000)
Finance costs	(20,567,000)	(17,281,000)
AFFO	42,373,000	41,077,000
AFFO per unit²	11.0 cents	10.7 cents
DPU	11.73 cents	11.73 cents

Notes:

1. Change in fair value of cattle assets in FY24 includes revaluation of calves on weaning.
2. Based on the weighted average number of units on issue during the year.

Appendix C – Reconciliation of net profit to AFFO

- Non-cash items added back to reconcile net profit after tax to AFFO.
- Key adjustments include:
 - Property revaluations (excluding other comprehensive income) include \$47.4m in cattle properties, \$14.8m in macadamia properties, \$1.5m for water entitlements, \$0.4m in almond properties, (\$2.5m) in cropping properties and (\$2.9m) in vineyards.
 - Depreciation and impairments relates mainly to plant and equipment owned within RF Active.
 - Prepaid rent revenue (TRG macadamias) relates to the rent received prior to lease commencement.
 - Contracted rent revenue (TRG cropping) relates to rent to be invoiced for period prior to lease commencement relating to the Mayneland and Baamba Plains cropping properties.
 - Rental income recognised on a straight-lined basis over the term of the lease (under AASB16 for leases with fixed indexation).
 - Interest component of JBS feedlot finance lease reflects indexation due to finance lease classification.

Reconciliation of net profit after tax to AFFO

	12 months ended 30 June 2024 \$	12 months ended 30 June 2023 \$
Net profit after income tax	80,441,000	94,498,000
Adjusted for:		
Property related		
Property revaluations	(58,771,000)	(60,132,000)
Depreciation – Bearer plants	11,271,000	9,583,000
Depreciation – property – owner-occupied	946,000	502,000
Depreciation and impairment	3,546,000	2,336,000
Gain on sale of assets	(444,000)	(802,000)
Revenue items		
Rental revenue – prepaid rent (TRG macadamias)	4,803,000	6,050,000
Contracted rent – (TRG cropping)	2,726,000	-
Lease incentive amortisation (TRG macadamias)	68,000	9,000
Straight-lining of rental income	(3,203,000)	(1,470,000)
Interest component of JBS feedlot finance lease	(2,172,000)	(4,187,000)
Farming operations		
Change in fair value of biological assets (prior year unharvested crops realised during the year)	(581,000)	1,819,000
Change in fair value of biological assets (unharvested crops and unsold cattle) ¹	(725,000)	1,505,000
Contracted farming cost recovery (TRG cropping)	850,000	-
Other		
Change in fair value of financial assets/liabilities	(154,000)	(156,000)
Change in fair value of interest rate swaps	3,297,000	(8,930,000)
Macgrove acquisition	-	1,036,000
FFO	41,898,000	41,661,000
Adjusted for income tax expense	475,000	(584,000)
AFFO	42,373,000	41,077,000
AFFO per unit²	11.0	10.7

Notes:

1. Change in fair value of cattle assets in FY24 excludes revaluation of calves on weaning.
2. Based on the weighted average number of units on issue during the year.

Appendix D – Summarised balance sheet

- Water entitlements are recorded as intangible assets and held at the lower of cost less accumulated impairment or fair value in accordance with accounting standards and ASIC guidance. The adjustment for water entitlements shows the difference between book value and fair value (based on current independent valuations).
- Water entitlements totalled 172.1 GL and water delivery entitlements totalled 21.4 GL, representing a fair value of \$360.2m or 18% of total adjusted assets.
- See page 24 for details of independent valuations.

Summarised balance sheet

	As at 30 June 2024 \$	As at 30 June 2023 \$
Cash	7,243,000	5,753,000
Property investments	1,776,269,000	1,546,118,000
Plant and equipment	29,001,000	27,045,000
Current tax receivable	-	259,000
Deferred tax assets	-	-
Derivative financial assets	38,743,000	42,040,000
Other assets	49,958,000	49,794,000
Total assets	1,901,214,000	1,671,009,000
Interest-bearing liabilities:		
– Current	35,994,000	33,150,000
– Non-current	751,749,000	607,463,000
Derivative financial liabilities	-	-
Current tax liabilities	705,000	-
Deferred tax liabilities	7,914,000	8,334,000
Other liabilities	33,535,000	28,903,000
Total liabilities	829,897,000	677,850,000
Net assets	1,071,317,000	993,159,000
Units on issue	388,243,046	384,856,588
NAV per unit	2.76	2.58
Adjustment for water entitlements fair value per unit	0.38	0.35
Adjusted NAV per unit	3.14	2.93

Appendix E – Total assets reconciliation

Total assets reconciliation

	Investment property	Bearer plants	Intangible assets ^{1, 3}	Property owner-occupied	Financial assets (property) ^{2, 3}	Plant and equipment	Other assets	Total	Adjustment for water entitlements at fair value ¹	Adjusted total assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 30 June 2023	923,405,000	217,700,000	166,988,000	144,200,000	93,825,000	27,045,000	97,846,000	1,671,009,000	135,514,000	1,806,523,000
Additions – Cattle	9,895,000	-	6,766,000	4,472,000	4,672,000	689,000	-	26,494,000	-	26,494,000
Additions – Cropping	7,247,000	-	165,000	8,924,000	-	5,544,000	-	21,880,000	-	21,880,000
Additions – Almond orchards	3,254,000	32,000	-	-	-	9,000	-	3,295,000	-	3,295,000
Additions – Macadamias	44,056,000	15,238,000	16,375,000	967,000	-	6,635,000	-	83,271,000	-	83,271,000
Additions – Vineyards	327,000	-	-	-	-	-	-	327,000	-	327,000
Additions – Water	-	-	13,140,000	-	-	-	-	13,140,000	-	13,140,000
Transfer	(25,664,000)	(13,000)	-	25,677,000	-	-	-	-	-	-
Disposals	-	-	-	-	-	(153,000)	-	(153,000)	-	(153,000)
Depreciation and impairments	-	(11,271,000)	-	(946,000)	-	(3,456,000)	-	(15,673,000)	-	(15,673,000)
Fair value adjustment ⁴	58,057,000	27,224,000	1,400,000	8,888,000	(48,000)	-	202,000	95,723,000	10,928,000	106,651,000
Other movements	(200,000)	(68,000)	-	-	5,341,000	(1,068,000)	(2,104,000)	1,901,000	-	1,901,000
Balance as at 30 June 2024	1,020,377,000	248,842,000	204,834,000	192,182,000	103,790,000	35,245,000	95,944,000	1,901,214,000	146,442,000	2,047,656,000

Notes:

- Accounting standards and ASIC guidance require water entitlements to be recorded as intangible assets and held at the lower of cost less accumulated impairment or fair value. The adjustment for water entitlements shows the adjustment to the fair value of the water entitlements held.
- Relates to water entitlements held as part of the investment in Barossa Infrastructure Limited, Coleambally Irrigation Co-operative Limited, breeder herd finance lease, straight-lined asset, equipment finance leases and finance lease with JBS Australia for five feedlots, which are accounted for as financial assets.
- Water entitlements of 172,094 ML and water delivery entitlements of 21,430 ML held by the Group representing a fair value of \$360.2m.
- Fair value adjustments as part of valuations for the year ended 30 June 2024.

Appendix F – Property compendium

Policy to conduct independent valuations at least every two years.








Property by sector	State	Brief description	Acquisition date	Adjusted property value 30 June 2024	Valuation date (reporting date)	Valuation	Valuer	FY24 actual capex by sector	FY25f committed capex by sector	Development strategy	Rent review mechanism in lease	
Almonds	Yilgah	NSW	935 ha orchard	Jun-2008	\$ 111.6m	May-2024	\$ 111.5m LAWD				Yes	
	Tocabil	NSW	603 ha orchard	Oct-2014	\$ 61.5m	May-2024	\$ 61.5m LAWD	\$3.3m	\$8.0m			
	Kerabury	NSW	2,530 ha orchard	Oct-2015	\$ 280.3m	May-2024	\$ 280.5m LAWD					
Cattle	Rewan	QLD	17,479 ha property	Aug-2016	\$ 72.5m	Nov-2022	\$ 72.5m LAWD				Productivity improvement	Yes
	Mutton Hole and Oakland Park	QLD	225,800 ha properties	Jul-2016, Aug-2016	\$ 29.4m	Jun-2023	\$ 28.9m Herron Todd White				Productivity improvement	Yes
	Natal Aggregation	QLD	390,600 ha property	Dec-2017	\$ 184.0m	Oct-2023	\$ 183.6m LAWD				Productivity improvement	Yes
	Comanche	QLD	7,600 ha property	Jul-2018	\$ 36.1m	May-2024	\$ 36.3m LAWD				Productivity improvement	Yes
	Cerberus	QLD	8,280 ha property	Sep-2018	\$ 26.1m	May-2024	\$ 25.9m LAWD				Productivity improvement	
	Dyamberin	NSW	1,728 ha property	Oct-2018	\$ 23.2m	May-2024	\$ 23.2m CBRE				Productivity improvement	Yes
	Woodburn	NSW	1,063 ha property	Jan-2019	\$ 12.5m	Sep-2023	\$ 12.5m CBRE				Productivity improvement	Yes
	Cobungra	VIC	6,497 ha property	Mar-2019	\$ 52.8m	Feb-2024	\$ 52.7m CBRE				Productivity improvement	Yes
	WA properties - Petro Farm, High Hill and Willara	WA	6,196 ha properties	Feb-2020	\$ 34.6m	Jun-2023	\$ 33.9m LAWD		\$21.1m	\$4.1m	Productivity improvement	Yes
	JBS feedlots x 5	NSW/QLD	150,000 head feedlots (total)	Oct-2018	\$ 65.2m	N/A	N/A Purchase price					
	Homehill	QLD	4,925 ha property	Jun-2020	\$ 20.8m	May-2024	\$ 20.8m LAWD				Productivity improvement	Yes
	Yarra	QLD	4,090 ha property	May-2020	\$ 33.5m	May-2024	\$ 27.2m LAWD				Productivity improvement	
	Coolibah Aggregation	QLD	724 ha property	Dec-2021	\$ 5.7m	May-2024	\$ 5.7m LAWD				Productivity improvement	
Thirsty Creek	QLD	503 ha property	Mar-2022	\$ 6.8m	Oct-2023	\$ 3.9m CBRE				Higher and better use		
Kaiuroo	QLD	27,879 ha property	Apr-2023	\$ 75.5m	Jun-2023	\$ 71.0m CBRE				Productivity improvement		
Wyseby	QLD	14,071 ha property	Jun-2023	\$35.0m	Jun-2023	\$ 35.0m LAWD				Productivity improvement		
Cropping	Lynora Downs	QLD	4,963 ha property	Dec-2016	\$ 45.6m	Jun-2023	\$ 45.4m CBRE				Productivity improvement	
	Mayneland	QLD	2,942 ha property	Sep-2018	\$ 30.5m	Jun-2023	\$ 28.6m CBRE				Productivity improvement	Yes
	Maryborough properties x 12	QLD	2,460 ha properties	Nov-2020	\$ 39.4m	Oct-2023	\$ 38.8m CBRE	\$16.3m	\$4.6m		Higher and better use	
	Baamba Plains	QLD	4,130 ha property	Nov-2021	\$ 45.2m	Jun-2023	\$ 37.5m CBRE				Productivity improvement	Yes
	Swan Ridge South	QLD	123 ha property	Mar-2020	\$ 2.0m	Oct-2023	\$ 2.0m CBRE					
Macadamias	Swan Ridge	QLD	130 ha orchard	Mar-2016	\$ 23.4m	Oct-2023	\$ 23.7m CBRE					
	Moore Park	QLD	104 ha orchard	Mar-2016	\$ 17.8m	Oct-2023	\$ 18m CBRE					
	Bonmac	QLD	27 ha orchard	Mar-2016	\$ 4.6m	Oct-2023	\$ 4.7m CBRE					Yes
	Bundaberg x 2 – Tranche 1	QLD	78 ha orchard	Oct-2019, Mar-2020	\$ 9.6m	Oct-2023	\$ 8.9m CBRE				Higher and better use	
	Riverton – Tranche 1	QLD	420 ha orchard	Nov-2020	\$ 44.7m	Oct-2023	\$ 39.6m CBRE				Higher and better use	
	Rookwood Farms – Tranche 2	QLD	1,026 ha orchard	Dec-2020	\$ 76.3m	Oct-2023	\$ 40.0m CBRE	\$76.6m	\$77.2m		Higher and better use	
	Rookwood Farms	QLD	N/A	Dec-2020	\$ 15.0m	Oct-2023	\$ 14.5m CBRE				Higher and better use	
	Maryborough x4 – Tranche 1	QLD	754 ha orchard	Nov-2020	\$ 73.6m	Oct-2023	\$ 72.0m CBRE				Higher and better use	
	Maryborough x6 – Tranche 2	QLD	747 ha orchard	Nov-2020	\$ 57.6m	Oct-2023	\$ 46.4m CBRE				Higher and better use	
Beerwah	QLD	340 ha orchard	Dec-2021	\$ 36.8m	Jun-2023	\$ 38.3m CBRE				Higher and better use		
Bauple	QLD	135 ha orchard	Dec-2021	\$ 19.1m	Jun-2023	\$ 19.7m CBRE						
Vineyards		SA/VIC	638 ha vineyards	2000-03	\$ 55.9m	Jun-2024	\$ 55.9m JLL	\$0.3m	\$0.3m		Yes	
Water	Ground water	NSW	8,338 ML	Aug-2021	\$ 34.9m	Dec-2023	\$ 34.9m LAWD					
	Unencumbered water entitlement – River	QLD	600 ML	Jan-2020	\$ 0.4m	N/A	N/A Purchase price					
	Unencumbered water entitlement – River	QLD	8,227 ML	Jun-2024	\$ 13.1m	N/A	N/A Purchase price					
	Unencumbered water entitlement – River	NSW	8,754 ML	Dec-2016	\$ 76.6m	Jun-2024	\$ 76.6m LAWD					
Adjusted property assets					\$ 1,889.2m		\$ 1,732.7m					
Total adjusted property assets					\$ 1,951.7m			\$130.9m	\$94.2m			

Note:

- For full details of asset valuation methodology please refer to Financial Statements. Total adjusted property assets include cattle finance lease and other assets \$21.9m, plant and equipment \$35.2m, other receivables and equipment leases \$5.4m. Forecast capex includes rentable and non-rentable amounts.

Appendix G – Lessees

High quality lessees. Majority are corporate or institutional entities.

	Description	Sector	Lessee since	Percentage (by FY25f revenue)
	Subsidiary of Olam Group, Singapore-listed (SGX: O32)	Almonds	2015	21%
THE ROHATYN GROUP	US asset manager joint venture with global institutional investor	Macadamias	2023	20% ¹
		Cropping ¹		
	Subsidiary of JBS SA, Brazil-listed (BVMF: JBSS3)	Cattle	2018	9% ²
 SELECT HARVESTS	ASX-listed (ASX: SHV)	Almonds	2010	9%
 STONE AXE PASTORAL COMPANY	Institutionally owned cattle operator	Cattle	2018	7%
 CAM AGRICULTURAL GROUP	Large privately owned cattle operator	Cattle	2017	6%
 AA CO THE ART OF AUSTRALIAN BEEF	ASX-listed (ASX: AAC)	Cattle	2019	5%
 TREASURY WINE ESTATES	ASX-listed (ASX: TWE)	Vineyards	2012	4%

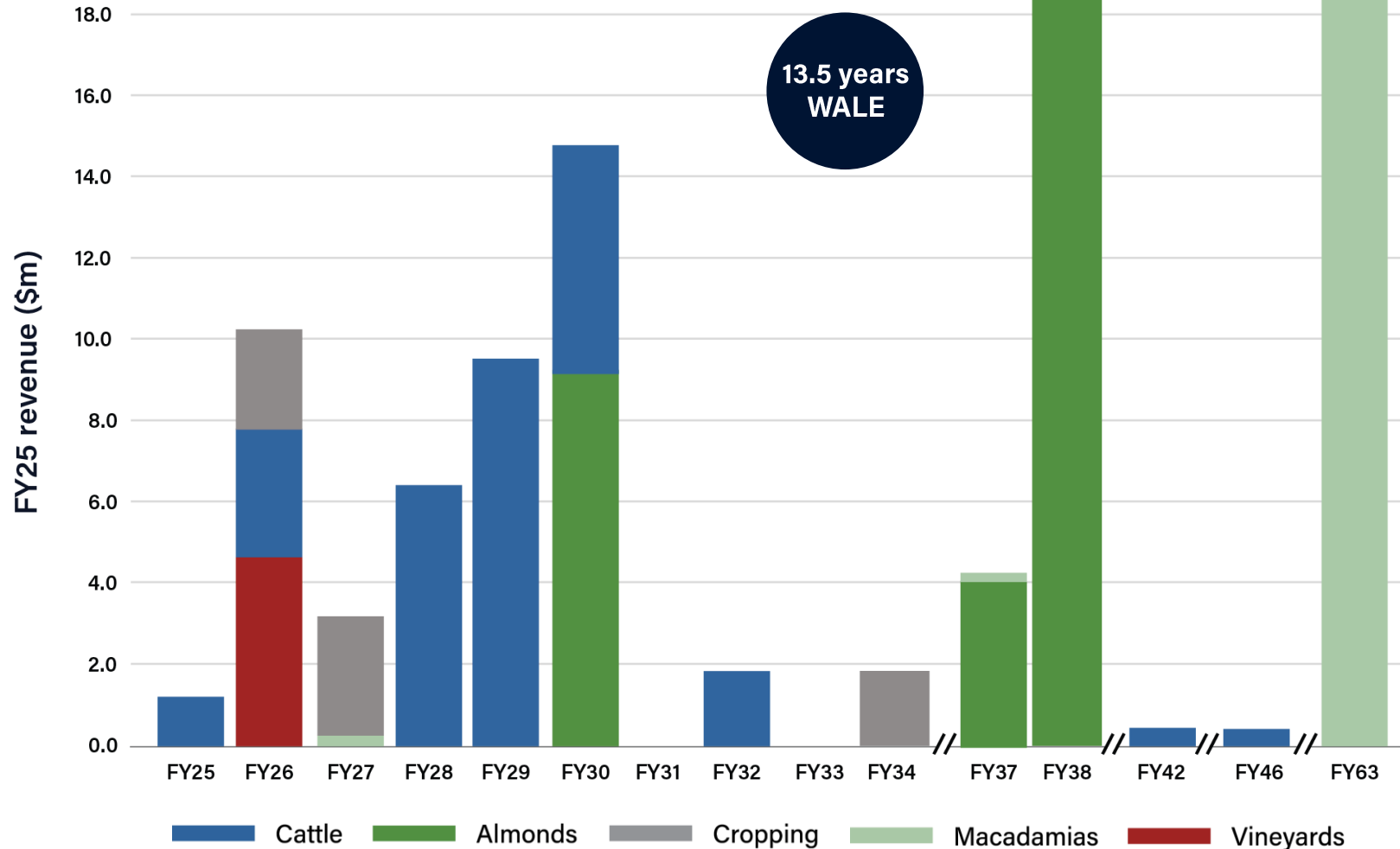
Notes:

- Total TRG JV FY25f revenue (percentage by lessee) is 20% with 18% macadamias and 2% cropping. TRG JV cropping leases (2% of FY25f revenue by lessee), expected to commence early FY25, are subject to conditions precedent being satisfied, including FIRB approval.
- JBS revenue includes J&F Australia guarantee fee.

Appendix H – Weighted average lease expiry and indexation

Long dated WALE provides stability of income and long-term rental growth via a mix of indexation mechanisms.

WALE profile



Indexation mechanisms (by FY25f revenue)

56% CPI-linked

- 28% CPI
- 22% CPI (cap and collar) plus profit share
- 4% CPI plus market review
- 2% CPI (cap and collar) plus market review

30% Fixed

- 26% Fixed plus market review
- 4% Fixed

14% Other

- 7% Finance income
- 4% Operating income
- 2% Annual
- 1% Nil

Appendix I – Sustainability

Continued progress of sustainability initiatives.

FY24 achievements

GHG emissions

Quantified RFF FY23 Scope 1 and Scope 2 emissions (disclosed in December 2023) and in-house capabilities.¹

Diversity

Target of 40% female representation on the RFM Board by December 2026.

Safety

Implemented improvements to the safety management system.

Carbon feasibility studies

Continued work on feasibility studies of various carbon projects.

Protecting Land & Water

Continued engagement with voluntary industry-led best management practice systems myBMP and Hort360.

Sustainability reporting progress

Ongoing progress of sustainability reporting standards, including climate related scenario analysis.

FY25 focus areas

GHG emissions

Improve Scope 1 and Scope 2 emissions quantification process to incorporate emissions intensity tracking.

Carbon projects

Continue assessment of additional carbon opportunities.

Sustainability reporting progress

Continued climate-related scenario analysis progress.



Macadamia development at Marriotts orchard showing automated Wi-Fi controlled irrigation system, Maryborough Queensland, May 2023.

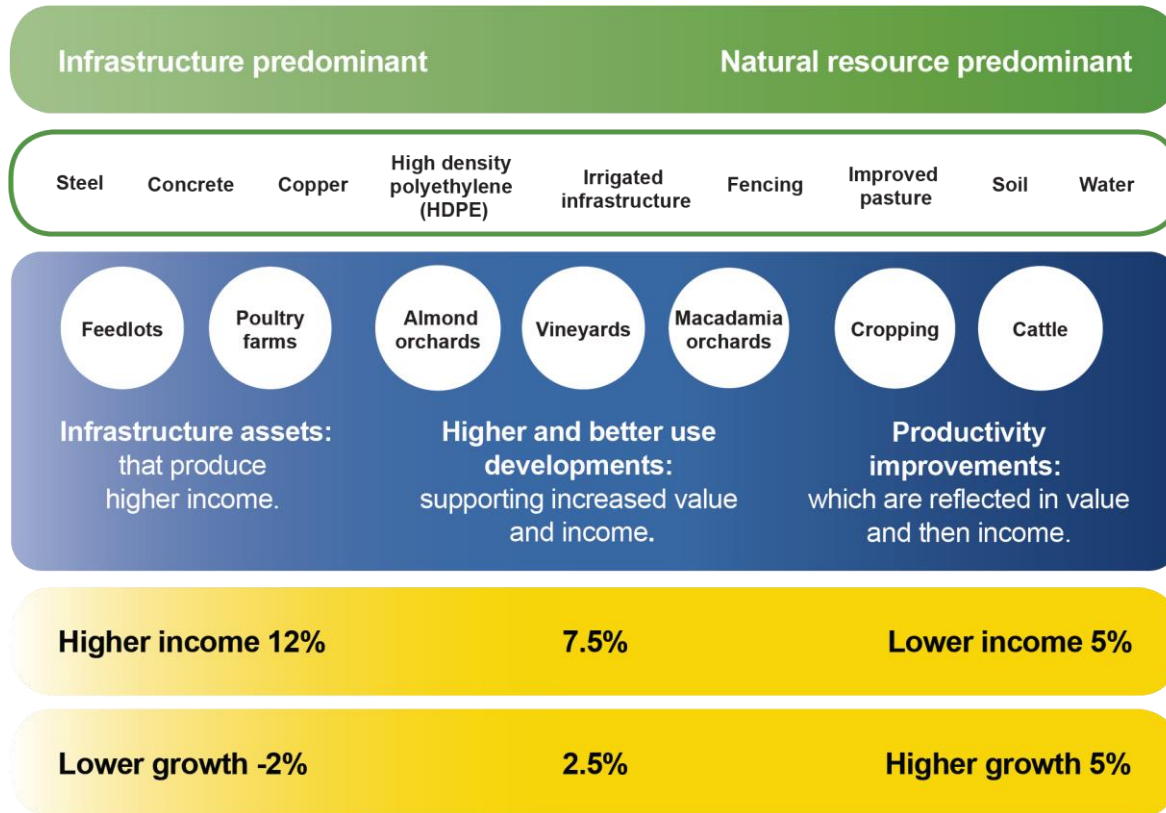
Note:

1. For assets for which RFF receives the operational proceeds for a given financial year.

Appendix J – Investment and development strategy

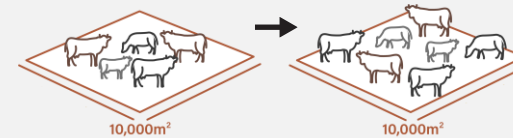
To generate income and capital growth from improving and leasing agricultural assets.

Spectrum of investment opportunities¹



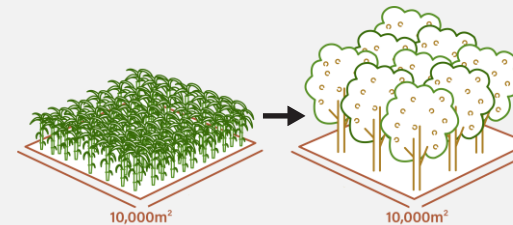
Development strategies

Productivity developments



Increasing the amount of the commodity that can be produced which supports increased asset values and rents.

Higher and better use



Converting agricultural land to produce a more profitable commodity which supports increased asset values and rents.

Note:

1. The income and growth figures presented in the chart above have been provided to differentiate the profile of income and growth that can be derived from different assets. They are based on RFM's experience and historical observations of agricultural lease transactions and historical rates of growth. They are neither forecasts nor projections of future returns. Past performance is not a guide to future performance.

Rural Funds Group 10 YEARS ASX: RFF

Managed by:



Managing good assets with good people

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