

# Rural Funds Group | ASX: RFF

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 Rural  
Funds  
Management  
Managing good assets with good people

## Financial results presentation

for the half-year ended 31 December 2024

21 February 2025



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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, **cpu** – Cents per unit, **DPU** – Distributions per unit, **Earnings** – Calculated TCI/weighted average units, **EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortisation, **f** – Forecast, **Fair value** – Value of an asset as determined by an independent valuation, **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, **FY26** – Full-year ended 30 June 2026, **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, operating income from owner-occupied properties and other income), **x** – Times, **1H25** – First-half 2025 (ending 31 December 2024), **2H25** – Second-half 2025 (ending 30 June 2025).

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# Presenters



**David Bryant**  
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# 1

## 1H25 results overview

# Results summary

Results in line with forecasts.

- **Delivered on 1H25 distribution guidance of 5.87 cents per unit:**
  - on track to achieve full year forecast of 11.73 cents per unit.
- **Delivered 5.73 cents per unit AFFO:**
  - reaffirming full year forecast of 11.4 cents per unit.
- **Leased eight properties with a total asset value of \$119m** for a weighted average term of 9.7 years.<sup>1</sup>
- **Divestments** of \$54.9m in line with book values
  - additional cattle property contracted for \$12.8m in line with book value.

Note:

1. Includes three new leases and five lease extensions (see page 14 for further details). Weighted average term and extension period calculated by 31 December 2024 property value.

## AFFO

**5.73**cpu

On track to achieve full year guidance of 11.4 cents

## Distributions

**5.87**cpu

Consistent with guidance

## Adjusted NAV per unit

**\$3.10**

Decrease of 1.3% from 30 June 2024 primarily due to revaluations of interest rate swaps

## Gearing

**38.6%**

Gearing levels maintained (increase of 0.1%) with 1H25 capex and acquisitions of \$58.7m

## Net property income

**\$45.5m**

Up 17% on prior corresponding period

## WALE

**13.0**yrs

Maintained long WALE through leasing activity and leased capex

# 2

## Financial results



Harvesting wheat at Lynora Downs, central Queensland, October 2024.

# Earnings summary

Net property income increased 17% primarily due to macadamia developments.

- **Net property income** from leased assets increased 17.3%
  - driven by additional rental income on capital expenditure, primarily macadamia orchards, indexation and rental review mechanisms.
- **Net farming income** improved primarily due to higher commodity prices
  - farming income forecast to increase in 2H25 as crops are harvested.
- **Earnings** impact mainly due to negative movement from revaluations of interest rate swaps and property revaluations.
- **AFFO and DPU** in line with forecasts
  - 1H25 AFFO increase compared to prior period, full-year AFFO forecast of 11.4 cpu.

## AFFO, earnings and distributions (\$m)

	1H25	1H24
Net property income	45.5	38.8
Net farming income	0.8	(2.5)
Other income	2.2	1.7
Fund expenses	(13.2)	(11.9)
Interest on debt	(12.3)	(10.3)
Other	(0.7)	(0.3)
<b>AFFO</b>	<b>22.3</b>	<b>15.5</b>
AFFO per unit	5.73 cents	4.02 cents
<b>Earnings</b>	<b>13.1</b>	<b>71.0</b>
Earnings per unit	3.35 cents	18.39 cents
<b>Distributions</b>	<b>22.8</b>	<b>22.7</b>
Distributions per unit	5.87 cents	5.87 cents

# Balance sheet summary

Gearing maintained with capital expenditure programs funded by proceeds of divestments.

- **Adjusted total assets** decreased by \$3.8m, or 0.2%, primarily due to:
  - divestments of \$54.9m
  - offset by valuation movement of \$42.7m, primarily due to capital expenditure on macadamia orchard developments.
- **Adjusted NAV** per unit decreased \$0.04 to \$3.10 primarily due to revaluations of interest rate swaps.
- **Gearing** has remained materially unchanged with capital expenditure programs funded by proceeds of divestments.

## Balance sheet summary (\$m)

	31 December 2024	30 June 2024
Cash	7.0	7.2
Property assets (inc. plant & equipment)	1,933.6	1,945.8
Other assets	103.3	94.7
<b>Adjusted total assets</b>	<b>2,043.9</b>	<b>2047.7</b>
Interest bearing liabilities	788.3	787.7
Other liabilities	33.8	30.3
Distribution payable	12.0	11.9
<b>Total liabilities</b>	<b>834.1</b>	<b>829.9</b>
<b>Adjusted net assets</b>	<b>1,209.8</b>	<b>1,217.8</b>
Units on issue	389.7	388.2
<b>Adjusted NAV per unit</b>	<b>3.10</b>	<b>3.14</b>
Gearing	38.6%	38.5%



# Valuations overview

Asset sales in line with book values. Independent valuations conducted on 30% of property assets.

- **Divested** of \$54.9m of assets in line with book values, including:
  - two cropping properties (50% sale) for \$38.7m
  - other assets including plant and equipment for \$10.4m
  - three sugarcane properties for \$5.8m.
- **Independent valuations** completed for 30% of the portfolio (by value) during the period in the macadamia, cropping and cattle sectors providing positive revaluation movement \$1.2m
  - directors' valuations applied to the remaining portion of the portfolio, depreciating assets in line with accounting standards.<sup>1</sup>
- **Policy to independently revalue all assets** at least every two-years
  - 70% of portfolio was revalued in the 12-months prior to 30 June.

Notes:

1. Bearer plants and owner-occupied properties.
2. Other includes water entitlements, finance leases and P&E.

## Total property assets valuation movements (\$m)<sup>2</sup>

Sector	30 Jun 2024	Divestments	Capex	Revaluation movement	31 Dec 2024
Cattle	713.7	-	6.5	0.4	720.6
Almonds	453.4	-	3.1	(3.2)	453.3
Macadamias	378.4	-	27.6	(3.1)	402.9
Cropping	162.7	(44.5)	5.4	2.6	126.2
Vineyards	55.9	-	1.5	(0.6)	56.8
Other	181.7	(10.4)	5.2	(2.7)	173.8
<b>Total</b>	<b>1,945.8</b>	<b>(54.9)</b>	<b>49.3</b>	<b>(6.6)</b>	<b>1,933.6</b>
<b>Revaluation movement</b>					<b>(0.3%)</b>

## Independent valuations summary (\$m)

	30 Jun 2024	Capex	Revaluation movement	Valuation date
Independent valuations 1H25	577.9	26.2	1.2	605.3
<b>Revaluation movement</b>				<b>0.2%</b>

# Capital management

Development expenditure fully funded from bank debt facilities headroom.

- **Refinanced syndicated debt facility** during term with:
  - limit increase of \$80m
  - extension of debt tranche tenor (2-years).
- **Undrawn debt headroom** of \$155.9m, sufficient for committed capital expenditure.
- **Dividend Reinvestment Plan suspended** during the period with consideration to the trading price relative to the adjusted net asset value.
- **Gearing remained materially unchanged** with capital expenditure funded by divestments settled during the period.

## Debt facility metrics<sup>1</sup>

		31 December 2024
<b>Key metrics</b>	Gearing	38.6%
	Weighted average cost of debt	4.83%
<b>Facilities</b>	Total facility limit	\$939.2m
	Drawn debt	\$783.3m
	Headroom	\$155.9m
	Weighted average debt facility maturity	2.6 years
<b>Hedging</b>	Proportion debt hedged or fixed	76.3%
	Weighted average hedge maturity	3.7 years
<b>Key covenants</b>	Loan to Value Ratio (LVR)	46.0%
	LVR covenant	60%
	Interest Cover Ratio (ICR)	2.20x
	ICR covenant	1.50x

Note:

1. For more details see pages 27 and 28.

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## Portfolio and strategy update



# Fund overview

Strategy to generate capital growth and income from developing and leasing agricultural assets.



## Diversification

64 properties, five sectors and multiple climatic zones.



## Long WALE

13.0 years WALE, 84% portfolio leased, majority triple net leases.



## Structural rental growth

Mix of lease indexation mechanisms and market rent reviews.

## Largest lessees by FY25f revenue

Lessees	Description	Sector	Percentage (by FY25f revenue)
<b>Olam</b>	Subsidiary of Olam Group, Singapore-listed (SGX: O32)	<b>Almonds</b>	21%
<b>THE ROHATYN GROUP</b>	US asset manager joint venture with global institutional investor	<b>Macadamias</b> <b>Cropping</b>	18%
<b>(JBS)</b>	Subsidiary of JBS SA, Brazil-listed (BVMF: JBSS3)	<b>Cattle</b>	10% <sup>1</sup>
<b>SELECT HARVESTS</b>	ASX-listed (ASX: SHV)	<b>Almonds</b>	9%
<b>STONE AXE</b> PASTORAL COMPANY	Institutionally owned cattle operator	<b>Cattle</b>	6%
<b>CAM</b> AGRICULTURAL GROUP	Large privately owned cattle operator	<b>Cattle</b>	6%
<b>AA</b> CO THE ART OF AUSTRALIAN BEEF	ASX-listed (ASX: AAC)	<b>Cattle</b>	5%
<b>TREASURY WINE ESTATES</b>	ASX-listed (ASX: TWE)	<b>Vineyards</b>	4%

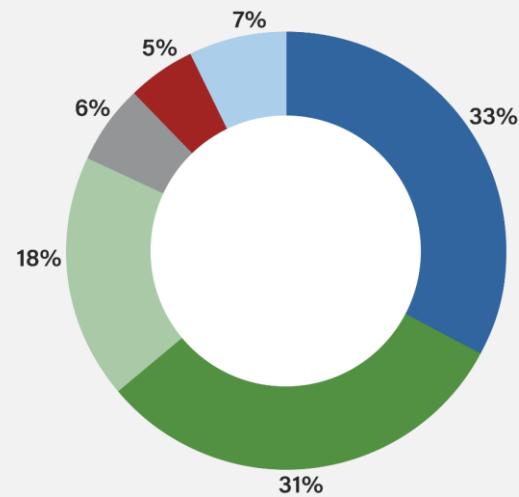
Note:

1. JBS revenue includes J&F Australia guarantee fee.

# Sector overview

\$1.93b total property portfolio value.<sup>1</sup>

Revenue by sector (FY25f)



### Active management

Strategy to develop assets to improve productivity and convert to higher and better use. Income generated during development phase by operating assets (prior to leasing).



### 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.



### Almonds

**\$453m** Portfolio value  
**\$32.4m** FY25f revenue  
**100%** Leased  
**10.7yrs** WALE



### Cattle

**\$721m** Portfolio value  
**\$30.0m** FY25f revenue  
**84%** Leased  
**4.2yrs** WALE



### Macadamias

**\$403m** Portfolio value  
**\$19.0m** FY25f revenue  
**72%** Leased  
**37.0yrs** WALE



### Cropping

**\$126m** Portfolio value  
**\$6.0m** FY25f revenue  
**52%** Leased  
**7.3yrs** WALE



### Vineyards

**\$57m** Portfolio value  
**\$4.7m** FY25f revenue  
**100%** Leased  
**12.7yrs** WALE



### Other (inc. water)

**\$174m** Portfolio value  
**\$6.9m<sup>1</sup>** FY25f revenue  
**91%** Leased  
**2.5yrs** WALE

Note:

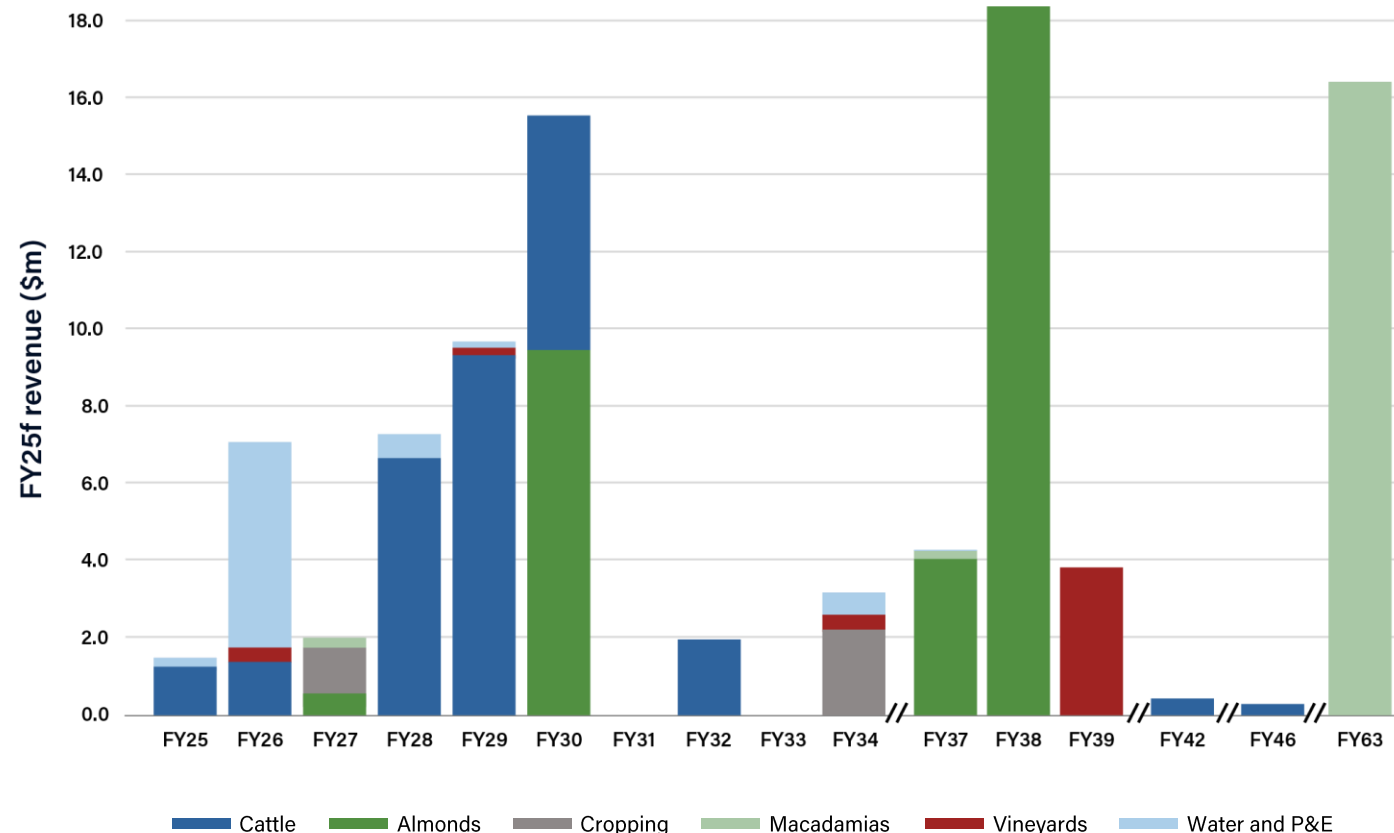
1. For further details see property compendium slides 25-26.

# Leasing activity

84% portfolio leased with a 13.0yr WALE.

- Leasing activity during the period for eight properties with a total asset value of \$119m for a weighted average term of 9.7 years, including:
  - cropping properties Mayneland and Baamba Plains leased to TRG JV for a 10-year term
  - lease extensions secured over five vineyards to Treasury Wine Estates (ASX: TWE), representing 93% of the vineyard portfolio by value, of 11.9 years (weighted average)
  - cattle property Cerberus leased to a private farming enterprise for a 5-year term.
- Market rent reviews based on independent valuations for three cattle properties representing 34% uplift in rent on a full-year basis benefiting the period.
- Queensland Cotton Corporation Pty Ltd 50% interest in Cotton JV (Lynora Downs lessee) acquired at NTA for releasing.

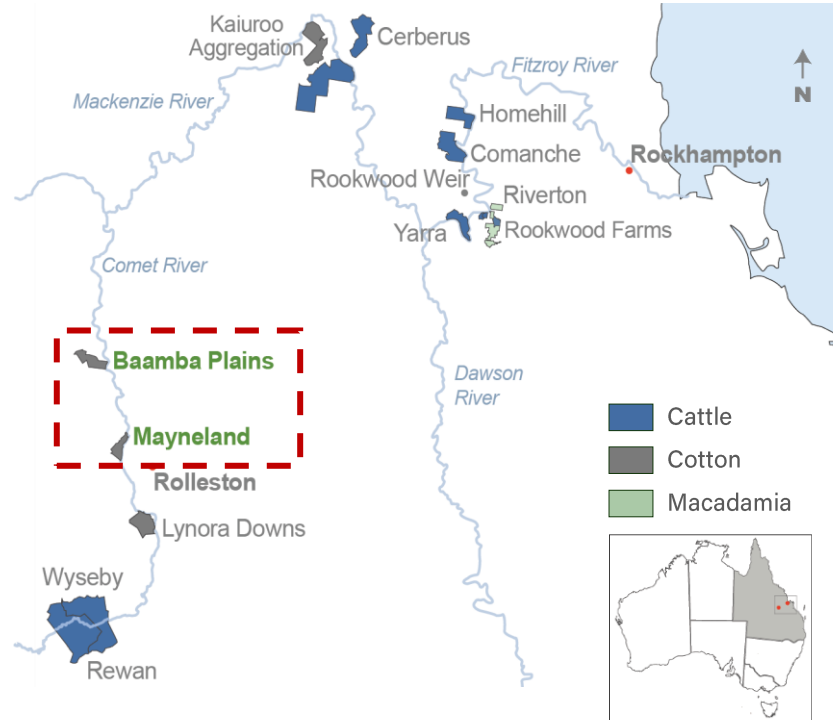
Weighted average lease expiry (WALE) profile



# Case study: development and leasing transaction

Cropping properties Mayneland and Baamba Plains lease and partial-sale following productivity developments.

- Properties acquired with the strategy to develop for improved productivity to seek higher asset values and lease income.
- RFM managed the developments including increased water storage and expanded irrigated cropping area
  - income generated by RFF through development phase through a combination of operating and short-term leasing.
- Following developments, the properties were leased (1H25) for a 10-year term to a global institutional investor
  - lease includes profit-share mechanism to provide RFF exposure to upside performance of the farms.
- The transaction included the sale of a 50% interest in the properties
  - providing capital for RFF to reduce bank debt
  - confirming asset values.



	Existing	Developed	Total
<b>Mayneland</b>			
Water storage	4,435 ML	4,943 ML	9,378 ML
Irrigated cropping area	485 ha	542 ha	1,027 ha
<b>Baamba Plains</b>			
Water storage	5,600 ML	7,900 ML	13,500 ML
Irrigated cropping area	386 ha	556 ha	942 ha



Pump station, Baamba Plains, November 2022.



Water storage, Baamba Plains, February 2024.



Irrigated cropping, Baamba Plains, May 2024.

# Development and operated assets

Developments seek higher asset values and lease income. Assets operated during development to generate income.

- Majority of unleased assets are being operated (including whilst developments are occurring).
- Operating conditions improving for macadamias, price increased from \$1.80/kg (2023) to \$3.40/kg (2024) with expectations for further price increase in 2025
  - higher macadamia price improves operating return and leasing prospects on mature assets.
- Leased TRG macadamia developments, 3,000 ha plantings expected to be complete FY25.
- Developments funded through existing bank debt facility headroom of \$155.9m (2H25 and FY26 committed capex \$104.6m)
  - asset sales identified to reduce gearing towards target range of 30-35%.

## Unleased development and operated assets

Sector	Property	Value	Status	Comments
Macadamias	Bundaberg Aggregation	\$39.1m	Ⓢ	• Mature orchards
	Southern Aggregation	\$56.6m	Ⓢ 🔑	• Productivity improvements ongoing
	Rookwood Farms (inc water)	\$29.7m	🔑	• Plans being finalised for next stage of macadamia conversion (includes capex not committed)
Cattle	Yarra	\$34.8m	Ⓢ	• Productivity improvements recently completed
	Kaiuroo	\$78.9m	Ⓢ 🔑	• Conversion of areas to irrigated cropping
Cropping	Sugarcane and cropping (x10)	\$35.9m	Ⓢ	• Held for future potential macadamia conversions
<b>Total</b>		<b>\$275.0m</b>		

Status: Ⓢ Operated 🔑 Development



# 4

## Outlook and conclusion



# Outlook and conclusion

Full-year forecasts on track.

- **Forecasts:**

- AFFO forecast for FY25 of 11.4 cpu reaffirmed
  - representing 4% growth
- Distribution forecast for FY25 of 11.73 cpu reaffirmed
- Distribution forecast for FY26 of 11.73 cpu.

- **Priorities:**

- Continue to progress funded developments of macadamia orchards, cattle and cropping properties
- Progress asset sales to seek to bring gearing towards target range of 30-35%.

## Rural Funds Group FY25 forecasts

AFFO

11.4cpu



**Quarterly distributions**

March, June, September and December (record dates).

Distributions

11.73cpu



**Distribution yield 6.7%<sup>1</sup>**

Mix of lease indexation mechanisms and market rent reviews.

Note:

1. Based on \$1.74 per unit close price on 17 February 2025.

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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
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*Shiraz grapes at the Geier vineyard, Barossa Valley, South Australia, February 2025.*



# 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 and other expenses – farming operations decreased mainly due to the partial sale and lease of the Baamba Plains property.
- Finance costs increased as a result of increase in interest rates and capital expenditure.
- Depreciation and impairments relates to P&E and equipment finance lease 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 Kaiuroo (cropping and cattle).
- Property revaluations totalled (\$2.7m) (including bearer plants, investment property, intangibles and property owner-occupied).
- Income tax expense relates to RFA and AWF.<sup>1</sup> RFT treated as a flow-through trust for tax purposes.

## 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 and derivative financial assets. 1H25 management fee is 0.92% (1H24: 0.92%) of the average adjusted total assets during the half year.
3. Change in fair value of biological assets in 1H24 included farming operations on the Baamba Plains property (cropping).

## Summarised statement of comprehensive income

	6 months ended 31 December 2024 \$	6 months ended 31 December 2023 \$
Property revenue	50,738,000	41,981,000
Revenue from farming operations	11,417,000	11,183,000
<b>Revenue</b>	<b>62,155,000</b>	<b>53,164,000</b>
Other income	3,183,000	2,151,000
Cost of goods sold – farming operations	(11,340,000)	(11,177,000)
Property expenses	(1,834,000)	(1,861,000)
Other expenses	(3,745,000)	(3,614,000)
Property and Other expenses – farming operations	(2,894,000)	(4,387,000)
Management fees <sup>2</sup>	(5,423,000)	(4,713,000)
Asset management fees <sup>2</sup>	(4,067,000)	(3,534,000)
Finance costs	(12,344,000)	(10,338,000)
(Loss)/gain on sale of assets	(216,000)	266,000
Depreciation and impairments	(2,218,000)	(1,828,000)
Property revaluations – Bearer plants	(5,848,000)	(8,324,000)
Property revaluations – Investment property	4,583,000	45,115,000
Property revaluations – Intangible assets	(1,129,000)	1,560,000
Property revaluations – Property owner-occupied	(1,261,000)	(601,000)
Change in fair value of financial assets	(24,000)	(24,000)
Change in fair value of biological assets – farming operations <sup>3</sup>	4,362,000	1,836,000
Change in fair value of derivatives	(8,776,000)	(9,073,000)
Share of net loss in associates and joint ventures	(569,000)	-
<b>Profit before tax</b>	<b>12,595,000</b>	<b>44,618,000</b>
Income tax expense	(505,000)	(864,000)
<b>Profit after tax</b>	<b>12,090,000</b>	<b>43,754,000</b>
Other comprehensive income	961,000	27,249,000
<b>Total comprehensive income</b>	<b>13,051,000</b>	<b>71,003,000</b>
Weighted average units	389.1m units	386.1m units
<b>Earnings per unit</b>	<b>3.35 cents</b>	<b>18.39 cents</b>

# 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, Swan Ridge and Moore Park, Kaiuroo and Yarra. Change in fair value of biological assets related to the profit recognised for the harvested crops and cattle sold (or realised) during the half year.
- Share of loss in joint ventures relates to the operating result from 50% investment in Cotton JV Pty Ltd in 1H25.
- Property leases are largely triple net.

## Composition of AFFO (pre-tax)

	6 months ended 31 December 2024 \$	6 months ended 31 December 2023 \$
Property revenue	47,330,000	40,667,000
Property expenses	(1,834,000)	(1,861,000)
<b>Net property income</b>	<b>45,496,000</b>	<b>38,806,000</b>
Other income	2,180,000	1,723,000
Other expenses	(3,745,000)	(3,614,000)
Management fees	(5,423,000)	(4,713,000)
Asset management fees	(4,067,000)	(3,534,000)
<b>Farming operations</b>		
Revenue from farming operations	11,417,000	11,183,000
Other income – farming operations	153,000	428,000
Cost of goods sold – farming operations	(11,340,000)	(11,177,000)
Change in fair value of biological assets (realised from harvested crops and cattle)	3,104,000	2,054,000
Change in fair value of biological assets (prior year unharvested crops realised during the half year)	893,000	(518,000)
Property and Other expenses – farming operations	(2,894,000)	(4,387,000)
Share of loss in joint ventures (Cotton JV Pty Ltd)	(534,000)	-
<b>EBITDA</b>	<b>35,240,000</b>	<b>26,188,000</b>
Income tax payable (AWF)	(585,000)	(314,000)
Finance costs	(12,344,000)	(10,338,000)
<b>AFFO</b>	<b>22,311,000</b>	<b>15,536,000</b>
<b>AFFO per unit<sup>1</sup></b>	<b>5.7 cents</b>	<b>4.0 cents</b>
DPU	5.87 cents	5.87 cents

Note:

- Based on the weighted average number of units on issue during the half 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 \$3.9m in cropping properties, \$0.5m in cattle properties, and (\$1.6m) in macadamia properties.
  - Depreciation and impairments relates to plant and equipment, equipment finance lease owned within RF Active.
  - Prepaid rent revenue (TRG) relates to the rent received prior to lease commencement.
  - 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.
  - Share of net loss in associates and joint ventures relate to the operating result shared from the investments in Cotton JV Pty Ltd and Inform Ag Pty Ltd.

## Reconciliation of net profit after tax to AFFO

	6 months ended 31 December 2024 \$	6 months ended 31 December 2023 \$
Net profit after income tax	12,090,000	43,754,000
<b>Adjusted for:</b>		
<b>Property related</b>		
Property revaluations	(2,821,000)	(43,804,000)
Depreciation – Bearer plants	6,003,000	5,629,000
Depreciation – property – owner-occupied	473,000	425,000
Depreciation and impairment	2,218,000	1,828,000
Loss/(gain) on sale of assets	216,000	(266,000)
<b>Revenue items</b>		
Rental revenue – prepaid rent (TRG)	718,000	244,000
Lease incentive amortisation (TRG)	80,000	28,000
Straight-lining of rental income	(4,195,000)	(1,647,000)
Interest component of JBS feedlot finance lease	(11,000)	61,000
Share of net loss in associates and joint ventures	569,000	-
<b>Farming operations</b>		
Change in fair value of biological assets (prior year unharvested crops realised during the half year)	893,000	(581,000)
Change in fair value of biological assets (unharvested crops and unsold cattle)	(1,258,000)	218,000
Contracted farming cost recovery (TRG cropping)	850,000	-
Share of loss in joint ventures (Cotton JV Pty Ltd)	(534,000)	-
<b>Other</b>		
Change in fair value of financial assets	24,000	24,000
Change in fair value of interest rate swaps	8,776,000	9,073,000
<b>FFO</b>	<b>22,391,000</b>	<b>14,986,000</b>
Adjusted for income tax expense	(80,000)	550,000
<b>AFFO</b>	<b>22,311,000</b>	<b>15,536,000</b>
<b>AFFO per unit<sup>1</sup></b>	<b>5.7</b>	<b>4.0</b>

Note:

1. Based on the weighted average number of units on issue during the half 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 \$359.5m or 18% of total adjusted assets.
- See page 25 and 26 for details of independent valuations.

## Summarised balance sheet

	As at 31 December 2024 \$	As at 30 June 2024 \$
Cash	7,005,000	7,243,000
Property investments	1,778,571,000	1,776,269,000
Plant and equipment	19,767,000	29,001,000
Derivative financial assets	29,999,000	38,743,000
Other assets	63,310,000	49,958,000
<b>Total assets</b>	<b>1,898,652,000</b>	<b>1,901,214,000</b>
Interest-bearing liabilities:		
– Current	45,552,000	35,994,000
– Non-current	742,740,000	751,749,000
Derivative financial liabilities	32,000	-
Current tax liabilities	585,000	705,000
Deferred tax liabilities	8,076,000	7,914,000
Other liabilities	37,190,000	33,535,000
<b>Total liabilities</b>	<b>834,175,000</b>	<b>829,897,000</b>
<b>Net assets</b>	<b>1,064,477,000</b>	<b>1,071,317,000</b>
Units on issue	389,722,999	388,243,046
<b>NAV per unit</b>	<b>2.73</b>	<b>2.76</b>
Adjustment for water entitlements fair value per unit	0.37	0.38
<b>Adjusted NAV per unit</b>	<b>3.10</b>	<b>3.14</b>

# Appendix E – Total assets reconciliation

## Total assets reconciliation

	Investment Property	Bearer plants	Intangible assets <sup>1, 3</sup>	Property owner-occupied	Financial assets (property) <sup>2, 3</sup>	Plant and equipment	Other assets	Total	Adjustment for water entitlements at fair value <sup>1</sup>	Adjusted total assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 30 June 2024</b>	<b>1,020,377,000</b>	<b>248,842,000</b>	<b>204,834,000</b>	<b>192,182,000</b>	<b>103,790,000</b>	<b>35,245,000</b>	<b>95,944,000</b>	<b>1,901,214,000</b>	<b>146,442,000</b>	<b>2,047,656,000</b>
Additions – Cattle	1,750,000	-	806,000	3,912,000	764,000	271,000	-	7,503,000	-	7,503,000
Additions – Cropping	3,135,000	-	155,000	2,104,000	-	998,000	-	6,392,000	-	6,392,000
Additions – Almond orchards	3,040,000	67,000	-	-	-	-	-	3,107,000	-	3,107,000
Additions – Macadamias	18,903,000	8,380,000	282,000	50,000	799,000	1,925,000	-	30,339,000	-	30,339,000
Additions – Vineyards	777,000	731,000	-	-	-	-	-	1,508,000	-	1,508,000
Additions – Water	-	-	424,000	-	-	-	-	424,000	-	424,000
Acquisition – investment in associates <sup>4</sup>	-	-	-	-	-	-	9,440,000	9,440,000	-	9,440,000
Transfer	21,162,000	-	-	(21,162,000)	7,787,000	(7,787,000)	-	-	-	-
Disposals	(18,365,000)	-	(3,145,000)	(22,997,000)	(1,212,000)	(8,550,000)	-	(54,269,000)	(1,320,000)	(55,589,000)
Depreciation and impairments	-	(6,003,000)	-	(473,000)	(319,000)	(1,899,000)	-	(8,694,000)	-	(8,694,000)
Fair value adjustment <sup>5</sup>	4,583,000	(248,000)	(1,129,000)	576,000	(24,000)	-	-	3,758,000	169,000	3,927,000
Other movements	(100,000)	(80,000)	-	-	3,616,000	(436,000)	(5,070,000)	(2,070,000)	-	(2,070,000)
<b>Balance as at 31 December 2024</b>	<b>1,055,262,000</b>	<b>251,689,000</b>	<b>202,227,000</b>	<b>154,192,000</b>	<b>115,201,000</b>	<b>19,767,000</b>	<b>100,314,000</b>	<b>1,898,652,000</b>	<b>145,291,000</b>	<b>2,043,943,000</b>

### 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 172,126 ML and water delivery entitlements of 21,430 ML held by the Group representing a fair value of \$359.5m.
- Investment in associates relates to the investment in Cotton JV Pty Ltd and Inform Ag Pty Ltd.
- Fair value adjustments as part of valuations for the half year ended 31 December 2024.



# Appendix F – Property compendium<sup>1</sup>

Policy to conduct independent valuations at least every two years.

	Property	State	Description	Ownership %	Value \$m	Occupancy	WALE	No. of properties	Last external valuation date	Valuer	Capex 1H25a	Forecast capex 2H25f	Forecast capex FY26f
<b>Almonds</b>	Yilgah	NSW	935 ha orchard	100%	\$ 111.9	100%	5.2	1	May-24	LAWD			
	Tocabil	NSW	603 ha orchard	100%	\$ 61.9	100%	12.0	1	May-24	LAWD			
	Kerarbury	NSW	2,530 ha orchard	100%	279.4	100%	13.3	1	May-24	LAWD			
<b>Total</b>					<b>\$ 453.3</b>	<b>100%</b>	<b>10.7</b>	<b>3</b>			<b>3.1</b>	<b>5.5</b>	<b>0.0</b>
<b>Cattle</b>	Rewan	QLD	17,479 ha property	100%	\$ 72.7	100%	4.8	1	Jul-24	LAWD			
	Mutton Hole & Oakland Park	QLD	225,800 ha properties	100%	\$ 29.5	100%	0.2	2	Jun-23	HTW			
	Natal Aggregation	QLD	390,600 ha property	100%	\$ 184.9	100%	2.8	1	Oct-23	LAWD			
	Comanche	QLD	7,600 ha property	100%	\$ 36.2	100%	7.3	1	May-24	LAWD			
	Cerberus	QLD	8,280 ha property	100%	\$ 26.2	100%	10.6	1	May-24	LAWD			
	Homehill	QLD	4,925 ha property	100%	\$ 20.8	100%	7.3	1	May-24	LAWD			
	Yarra	QLD	4,090 ha property	100%	\$ 34.8	0%	n/a	1	May-24	LAWD			
	Dyamberin	NSW	1,728 ha property	100%	\$ 23.2	100%	3.8	1	Sep-23	CBRE			
	Woodburn	NSW	1,063 ha property	100%	\$ 12.5	100%	4.0	1	Sep-23	CBRE			
	Cobungra	VIC	6,497 ha property	100%	\$ 52.9	100%	4.2	1	Feb-24	CBRE			
	WA properties	WA	6,196 ha properties	100%	\$ 35.1	100%	5.1	3	Jun-23	LAWD			
	JBS feedlots	NSW/QLD	150,000 hd feedlots	100%	\$ 65.2	100%	3.5	5	n/a	n/a			
	Coolibah Aggregation	QLD	724 ha property	100%	\$ 5.6	100%	17.2	1	May-24	LAWD			
	Thirsty Creek	QLD	503 ha property	100%	\$ 7.0	100%	17.2	1	Nov-24	CBRE			
	Kaiuroo	QLD	27,879 ha property	100%	\$ 78.9	0%	n/a	1	Aug-24	CBRE			
	Wyseby	QLD	14,071 ha property (RFF area)	57%	\$ 35.0	100%	1.5	1	Jun-23	LAWD			
<b>Total</b>					<b>\$ 720.6</b>	<b>84%</b>	<b>4.2</b>	<b>23</b>			<b>6.5</b>	<b>9.8</b>	<b>7.4</b>
<b>Cropping</b>	Lynora Downs	QLD	4,963 ha property	100%	\$ 50.4	50%	2.3	1	Jul-24	LAWD			
	Mayneland	QLD	2,942 ha property	50%	\$ 16.7	100%	9.5	1	Jun-23	CBRE			
	Baamba Plains	QLD	4,130 ha property	50%	\$ 23.2	100%	9.5	1	Jun-23	CBRE			
	Swan Ridge South	QLD	123 ha property	100%	\$ 2.0	0%	n/a	1	Sep-24	CBRE			
	Maryborough properties	QLD	2,059 ha properties	100%	\$ 33.9	0%	n/a	9	Oct-23	CBRE			
<b>Total</b>					<b>\$ 126.2</b>	<b>52%</b>	<b>7.3</b>	<b>13</b>			<b>5.4</b>	<b>1.5</b>	<b>0.0</b>

Note:

- For full details of asset valuation methodology please refer to Financial Statements. Property assets (inc. plant and equipment) excludes other receivables \$9.4m and cattle other assets \$0.6m. Value \$m is adjusted property asset value as at 31 December 2024. Forecast capex includes rentable and non-rentable amounts.

# Appendix F – Property compendium<sup>1</sup> (continued)

Policy to conduct independent valuations at least every two years.

	Property	State	Description	Ownership %	Value \$m	Occupancy	WALE	No. of properties	Last external valuation date	Valuer	Capex 1H25a	Forecast capex 2H25f	FY26f
Macadamias	Swan Ridge	QLD	130 ha orchard	100%	\$ 22.2	0%	n/a	1	Sep-24	CBRE			
	Moore Park	QLD	104 ha orchard	100%	\$ 16.8	0%	n/a	1	Sep-24	CBRE			
	Bonmac	QLD	27 ha orchard	100%	\$ 4.4	100%	12.0	1	Sep-24	CBRE			
	Cygnets	QLD	37 ha orchard	100%	\$ 4.4	100%	37.9	1	Nov-24	CBRE			
	Beerwah	QLD	340 ha orchard	100%	\$ 36.8	0%	n/a	1	Sep-24	CBRE			
	Bauple	QLD	135 ha orchard	100%	\$ 19.8	0%	n/a	1	Sep-24	CBRE			
	Maryborough properties	QLD	1,511 ha orchard	100%	\$ 141.6	100%	37.9	10	Nov-24	CBRE			
	Nursery Farm	QLD	41 ha orchard	100%	\$ 5.8	100%	21.4	1	Nov-24	CBRE			
	Riverton	QLD	422 ha orchard	100%	\$ 49.4	100%	37.9	1	Nov-24	CBRE			
	Rookwood Farms	QLD	1,002 ha orchard	100%	\$ 86.0	100%	37.9	1	Nov-24	CBRE			
	Rookwood Farms	QLD	For orchard development	100%	\$ 15.7	0%	n/a	0	Nov-24	CBRE			
<b>Total</b>					<b>\$ 402.9</b>	<b>72%</b>	<b>37.0</b>	<b>19</b>			<b>27.6</b>	<b>48.4</b>	<b>30.8</b>
Vineyards	Kleinig	SA	206 ha vineyard	100%	\$ 20.6	100%	14.5	1	Jun-24	JLL			
	Geier	SA	244 ha vineyard	100%	\$ 24.1	100%	14.5	1	Jun-24	JLL			
	Hahn	SA	50 ha vineyard	100%	\$ 3.9	100%	1.5	1	Jun-24	JLL			
	Mundy & Murphy	SA	55 ha vineyard	100%	\$ 4.6	100%	9.5	2	Jun-24	JLL			
	Rosebank	VIC	83 ha vineyard	100%	\$ 3.7	100%	4.5	1	Jun-24	JLL			
<b>Total</b>					<b>\$ 56.9</b>	<b>100%</b>	<b>12.7</b>	<b>6</b>			<b>1.5</b>	<b>1.2</b>	<b>0.0</b>
Other	Ground water	NSW	8,338 ML	100%	\$ 34.9	100%	1.5	0	Dec-23	LAWD			
	River water (QLD)	QLD	600 ML	100%	\$ 0.4	0%	n/a	0	n/a	n/a			
	River water (QLD)	QLD	8,227 ML	100%	\$ 13.6	0%	n/a	0	n/a	n/a			
	River water (NSW)	NSW	8,754 ML	100%	\$ 76.6	100%	2.3	0	Jun-24	LAWD			
	Cattle finance leases	n/a	n/a	100%	\$ 20.8	100%	1.6	0	n/a	n/a			
	Plant & equipment - leased	n/a	n/a	100%	\$ 8.2	100%	9.7	0	n/a	n/a			
	Plant & equipment - developments	n/a	n/a	100%	\$ 19.4	n/a	n/a	0	n/a	n/a			
<b>Total</b>					<b>\$ 173.8</b>	<b>91%</b>	<b>2.5</b>	<b>0</b>			<b>5.2</b>	<b>0.0</b>	<b>0.0</b>
<b>Total - portfolio</b>					<b>\$ 1,933.6</b>	<b>84%</b>	<b>13.0yrs</b>	<b>64</b>			<b>49.3</b>	<b>66.4</b>	<b>38.2</b>

Note:

- For full details of asset valuation methodology please refer to Financial Statements. Property assets (inc. plant and equipment) excludes other receivables \$9.4m and cattle other assets \$0.6m. Value \$m is adjusted property asset value as at 31 December 2024. Forecast capex includes rentable and non-rentable amounts.

# Appendix G – Capital management

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

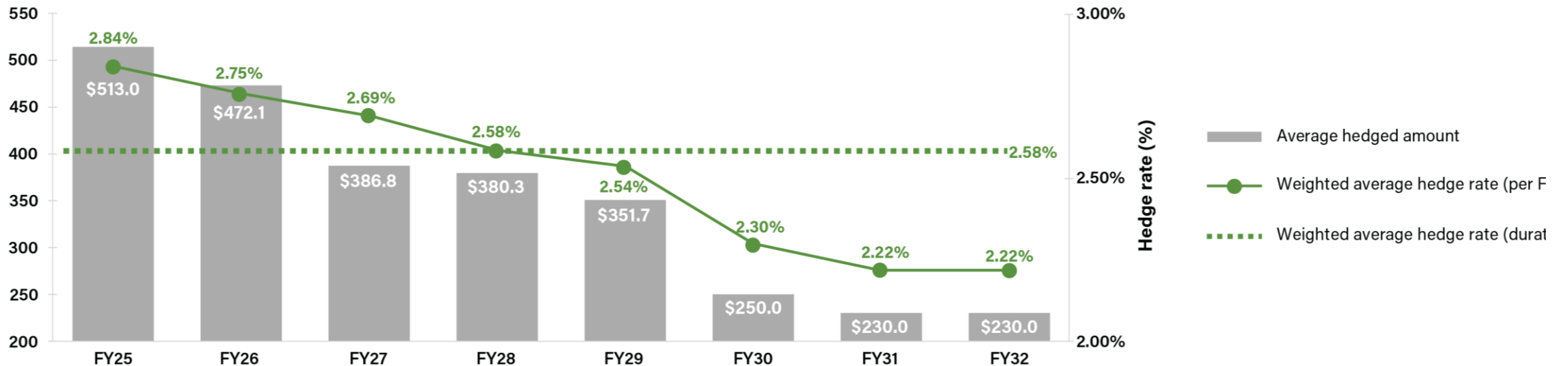
## Equity

Item	Details
<b>Distribution</b>	FY24 DPU 11.73 cents. Forecast FY25 DPU 11.73 cents.
<b>DRP</b>	Currently suspended.
<b>Trading price movement (12 months)</b>	Decrease of 17.9% (\$2.12 to \$1.74) from 31 December 2023 to 31 December 2024. Current price \$1.74 (17 February 2025).

## Debt

Item	Details
<b>Facility</b>	Increase of syndicated debt facility limits, and extension of tenor completed in December 2024.
<b>Limit</b>	Total debt facility limits increased to \$939.2m (FY24 \$867.4m)
<b>Maturities</b>	\$24.5m - September 2025, \$410.0 - November 2026, \$420m - November 2027 and \$84.8m March 2030. <sup>1</sup>
<b>Hedging</b>	Interest rate hedges totalling \$60.0m entered since 1 July 2024.

## Interest rate hedging profile and hedge rate (FY25–FY32)



Note:

1. Facility maturing FY26 pertains to the Wyseby property, expected to be refinanced by debt syndicate upon subdivision.

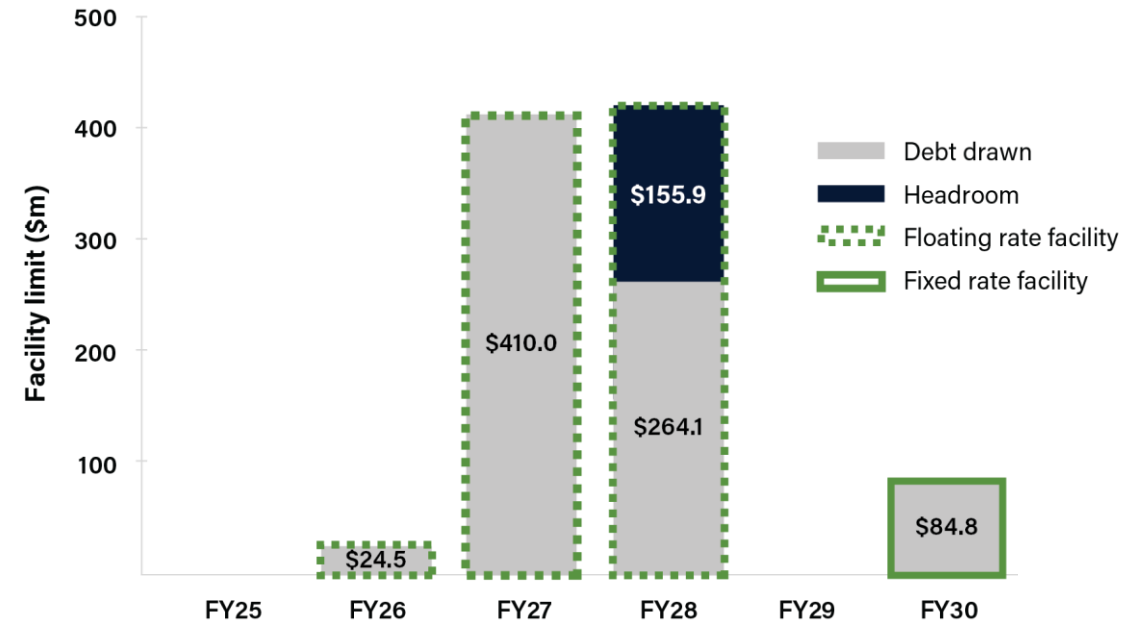
# Appendix H – Debt facilities

Headroom of \$155.9m sufficient for committed capex requirements.

## Debt facility metrics

		31 December 2024	30 June 2024
<b>Debt facilities</b>	Facilities limit <sup>1,2</sup>	\$939.2	\$867.4m
	Debt drawn	\$783.3	\$782.0m
	Headroom	\$155.9	\$85.4m
<b>Covenants</b>	Loan to Value Ratio (LVR) <sup>1,3</sup>	46.0%	48.5%
	Interest Cover Ratio (ICR) <sup>3</sup>	2.20	2.11
	Adj. Net Tangible Assets (NTA) <sup>3</sup>	\$1,209.8m	\$1,217.8m
<b>Cost</b>	Cost of debt <sup>4</sup>	4.83%	4.73%
<b>Hedging</b>	Total amount hedged <sup>5</sup>	\$513.0m	\$513.0m
	Proportion debt hedged and fixed <sup>6</sup>	76.3%	69.8%
	Weighted average duration (yrs) <sup>7</sup>	3.7	4.2

## Debt facility limits, maturity (FY) and headroom<sup>8</sup>



### Notes:

1. Key financial covenants FY25: LVR <60%, ICR >1.50x, with distribution permitted at >1.65x, Adj. NTA including water entitlements >\$400m, and >40% hedging.
2. Security: real property mortgages, general security agreement, cross guarantees between RFF and subsidiaries.
3. LVR calculated as term debt drawn plus guarantee of \$123.0m (as at 31 Dec 2024), excluding TRG JV debt drawn; divided by directly secured assets based on independent valuations.
4. 6-month total interest expense (including bank margin) plus cost of hedges, divided by average term debt drawn. Includes capitalised interest.
5. Current hedges only.
6. Current hedges and total fixed debt drawn divided by total debt drawn.
7. Duration remaining as at 31 December 2024 and includes forward start hedges.
8. Facility maturing FY26 pertains to the Wyseby property, expected to be refinanced by debt syndicate upon subdivision.

# Appendix I – Sustainability update

Sustainability elements are incorporated into macadamia orchard developments, seeking to achieve more efficient operations and improved yields.

## Sustainability updates

### GHG emissions disclosure

Scope 1 and Scope 2 emissions disclosed in FY24 annual report (September 2024).

### Carbon feasibility studies

Continued work on feasibility studies of various carbon projects in cattle and cropping sectors.

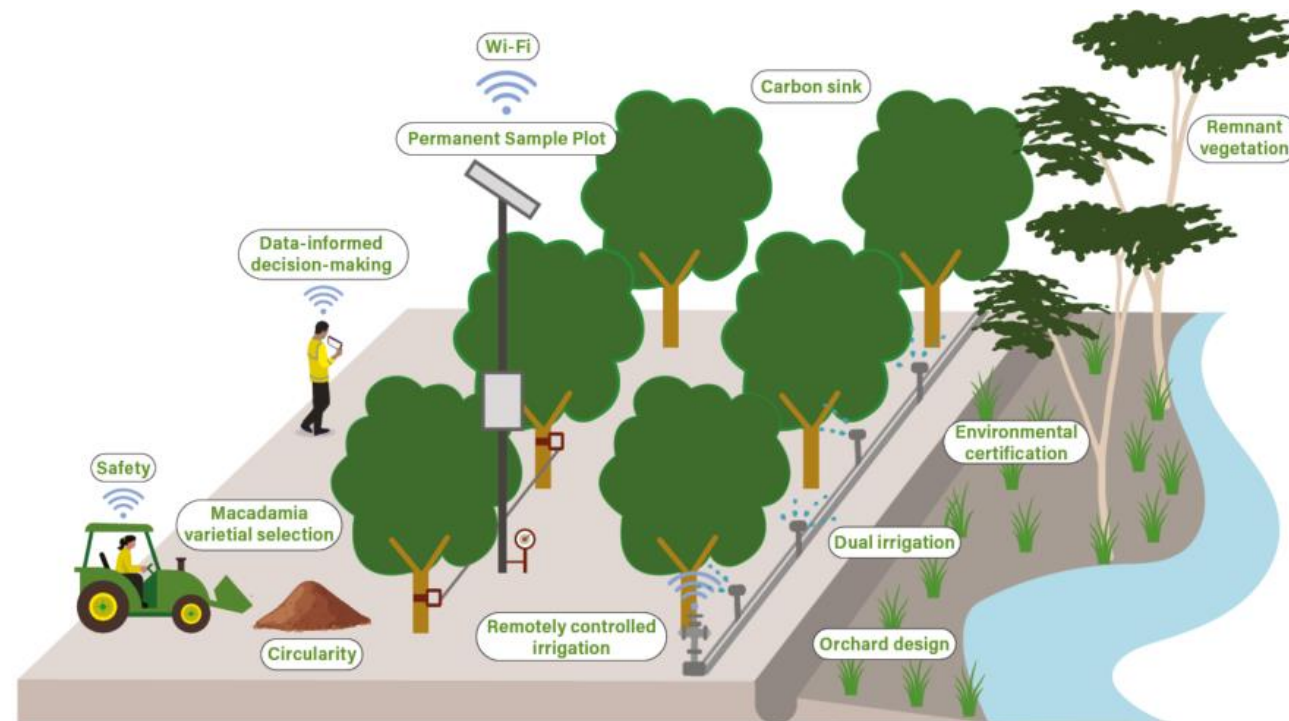
### Modern slavery statement

First modern slavery statement completed December 2024 (currently under review by the Attorney General's office).

### ASRS alignment progress

Continued progress to align with Australian Sustainability Reporting Standards (ASRS). RFF expected to be Group 3 and will therefore be required to align in FY28.

## Sustainable macadamia production<sup>1</sup>



**Permanent Sample Plot (PSP):** Data collection points from trees, irrigation and soils.

**Data-informed decision making:** Seeking to maximise yields and optimise inputs.

**Wi-Fi:** provide for transmission of data, remote control of infrastructure and other benefits.

**Varietal selection:** Higher yielding cultivars capable of producing quality nuts are planted throughout the orchard.

**Circularity principles:** Macadamia husks and prunings are composted and applied across the orchards to enhance soil health, carbon levels, and water holding capacity.

**Dual irrigation systems:** Efficient water application supports trees and interrow grasses, improves soil health, reduces erosion and assists in managing heatwave impacts.

**Safety:** Online safety platform.

**Remotely controlled irrigation:** Improving precision of water application.

**Environmental certification:** Including Hort360 Reef standards.

**Orchard design elements and remnant vegetation:** Seek to minimise sediment loss, maintain soil integrity and promote biodiversity.

**Carbon sink:** The macadamia trees, remnant vegetation and soil serve as carbon sinks by sequestering carbon.

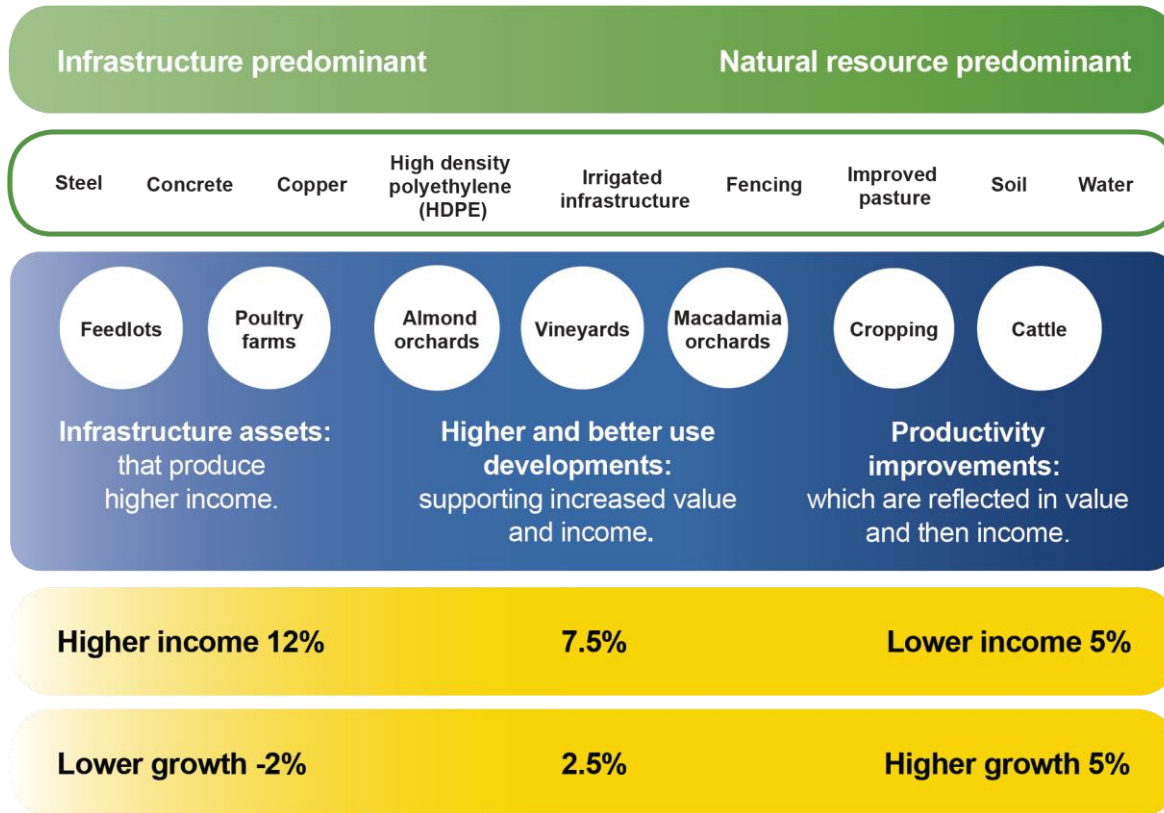
Note:

1. Graphic for illustrative purposes only. Not all of the systems outlined are included across all RFF orchards. For more information see FY24 Annual Report dated September 2024.

# Appendix J – Investment and development strategy

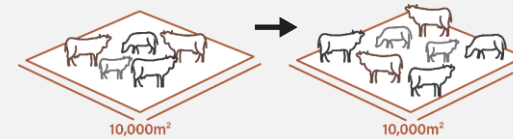
To generate income and capital growth from improving and leasing agricultural assets.

## Spectrum of investment opportunities<sup>1</sup>



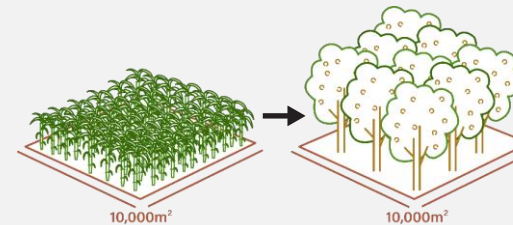
## Development strategies

### 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 | ASX: RFF

Managed by:  
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Management  
Managing good assets with good people

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For more information on the RFM management team, visit the RFM website.

*Beerwah orchard, central Queensland, September 2024.*