

# Notice of meetings and explanatory memorandum



To be held on Thursday, 2 April 2026 at 11.00am (AEDT) at the offices of Rural Funds Management Limited, Level 2, 2 King Street Deakin ACT 2600.

This Notice of Meetings and Explanatory Memorandum is issued by Rural Funds Management Limited (ACN 077 492 838, AFSL 226 701) (**RFM**) as the Responsible Entity of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 collectively referred to as Rural Funds Group or RFF.

## **THIS IS AN IMPORTANT DOCUMENT**

Please read the information in this document carefully. It is important that you attend the Meetings, complete and lodge the enclosed Proxy Form or lodge your proxy electronically.

If you expect to attend the Meetings in person, please contact RFM Investor Services on 1800 026 665 (from within Australia) or +61 2 6203 9700 (from outside Australia) from 8.30am to 5.00pm (local Canberra time), Monday to Friday, or email [investorservices@ruralfunds.com.au](mailto:investorservices@ruralfunds.com.au) prior to the Meetings.

The Independent Expert has concluded that in respect of the Non-Associated Unitholders of RFF, and under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act:

- the Guarantee is fair and reasonable;
- the First Tranche Additional Guarantee is fair and reasonable in the event that the Second Tranche Additional Guarantee is not approved; and,
- the Term Extension is fair and reasonable.

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# 1. Letter from the Chair

Dear Unitholder

On behalf of Rural Funds Management Limited (**RFM**), the responsible entity and manager of Rural Funds Group (**RFF**), it is my pleasure to invite you to the meetings of RFF unitholders (**Unitholders**) to be held at 11.00am (AEDT) on Thursday, 2 April 2026 at the offices of Rural Funds Management Limited, Level 2, 2 King Street Deakin ACT 2600 (**Meetings**).

The purpose of the Meetings is to approve a further increase to an existing financial arrangement (**Guarantee**) provided by RFF to J&F Australia Pty Ltd (**J&F**). The Guarantee currently allows J&F to supply JBS, a counterpart to RFF, with cattle, feed and associated costs to stock feedlots. As a result of ongoing increased operational requirements, JBS has requested a further increase in the existing arrangements with J&F, requiring an increase to the Guarantee.

## **Background to J&F Guarantee**

In August 2018, Unitholders approved the provision of a \$75.0 million limited guarantee to J&F (**Initial Guarantee**), a wholly owned subsidiary of RFM. This guarantee was approved with a ten-year term for which RFF is paid a monthly fee (**Guarantee Fee**). J&F has paid RFF the Guarantee Fee since August 2018.

At the same time, RFF agreed to purchase five of JBS Australia Pty Ltd's (**JBS**) Australian feedlots and leased those properties back to JBS. The Initial Guarantee allowed J&F to supply JBS with cattle, feed and associated costs used to stock feedlots.

On 14 April 2020 and 4 February 2022, increases to the guarantee were approved by Unitholders, so that the total guarantee limit is currently \$132.0 million (**Current Guarantee**). The HY26 annualised gross return to RFF on the Current Guarantee was 10.7% (see section 4.5 for further detail of historical returns).

Since the implementation of the arrangements between J&F and JBS (**JBS Arrangements**), JBS has experienced high demand for its Australian grain fed beef products, both internationally and domestically. As a result of this continued high demand, JBS has requested a further increase in the existing arrangements with J&F. An increase to J&F's borrowings would require a commensurate increase in the amount of the Current Guarantee. JBS has also requested J&F supply lambs as part of the JBS Arrangements. It is expected this would initially represent less than 5% of the overall financial arrangement.

To facilitate JBS's requirements, Unitholder approval is being sought to increase the Current Guarantee by \$68.0 million, to support an increase in J&F's borrowings (**Additional Guarantee**). Unitholder approval will be sought to first increase the Guarantee by \$28.0 million to \$160.0 million (**First Tranche Additional Guarantee**) with a subsequent increase of up to \$40.0 million to \$200.0 million (**Second Tranche Additional Guarantee**). If approved, the Second Tranche Additional Guarantee will be conditional on asset sales of \$80.0 million (the **Condition**).

The initial ten-year term of the Guarantee expires on 22 August 2028. Unitholder approval is also being sought for an increase to the term of the Guarantee. If, prior to expiry of the current term, J&F agrees to extend the term of the JBS Arrangements, RFF may also extend the term of the Guarantee for a further period of up to ten years<sup>1</sup> (**Term Extension**) assuming no other material changes to the terms of the Guarantee.

The Additional Guarantee amount of \$68.0 million is a variation to the Current Guarantee previously approved by Unitholders in August 2018, April 2020 and February 2022. As J&F is a wholly owned subsidiary of RFM, the Additional Guarantee requires Unitholder approval under ASX Listing Rule 10.1.

1. Term may be extended for multiple, shorter periods which cumulatively will not exceed ten years.

**The Independent Expert has concluded that in respect of the Non-Associated Unitholders of RFF, and under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act:**

- **the Guarantee is fair and reasonable;**
- **the First Tranche Additional Guarantee is fair and reasonable in the event that the Second Tranche Additional Guarantee is not approved; and,**
- **the Term Extension is fair and reasonable.**

### *Constitutional change*

Unitholder approval is also being sought for a change to the constitutions of Rural Funds Trust and RF Active (**Constitutions**).

Changes to the Constitutions are proposed to allow the attribution of income over a distribution period provided it aligns the tax profile of a distribution with the distributable income for that period.

For RFF, a distribution period typically relates to a financial year with four quarterly interim distributions made during the year. Normally, income earned in a particular quarter is attributed to that quarter's distribution, rather than spread evenly over the year. However, there may be certain circumstances where it is more appropriate to attribute a certain item of income over the whole distribution period rather than to one quarter's distribution. The proposed change is seeking the ability to attribute income, only when it is appropriate to do so, either to the full distribution period or part of it.

Details of the Resolutions, including in relation to the Guarantee and the Constitutional Change are provided in the Notice of Meetings and Explanatory Memorandum accompanying this letter.

The Meetings are therefore being convened to consider the Resolutions to approve the First Tranche Additional Guarantee, the Second Tranche Additional Guarantee, the Term Extension and the Constitutional Change.

### **YOUR VOTE IS IMPORTANT**

This Notice of Meetings and Explanatory Memorandum contains important information in relation to the Guarantee and Constitutional Change as well as a discussion of the benefits and risks of the Guarantee.

Please read the Notice of Meetings and the Explanatory Memorandum carefully in its entirety before making your decision and voting (whether in person, by corporate representative or by proxy) at the Meetings.

If you expect to attend the Meetings in person, or have any queries about the Meetings, please contact RFM Investor Services on 1800 026 665 (from within Australia) or +61 2 6203 9700 (from outside Australia) from 8.30am to 5.00pm (local Canberra time), Monday to Friday prior to the Meetings.

**Yours sincerely,**



A handwritten signature in black ink, appearing to read 'Guy Paynter', written in a cursive style.

**Guy Paynter**  
Chair

## 2. Location of Meetings and what you need to do

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### LOCATION OF MEETINGS

11.00am (AEDT) on Thursday, 2 April 2026 at the offices of Rural Funds Management Limited, Level 2, 2 King Street Deakin ACT 2600.

### WHAT YOU NEED TO DO

#### Step 1: Read the Notice of Meetings and Explanatory Memorandum

This Explanatory Memorandum is intended to provide Unitholders with information about the proposed Resolutions contained in the Notice of Meetings.

You should read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Please refer to the Glossary at section 7 for the meaning of any capitalised terms in this Explanatory Memorandum.

#### Step 2: Vote on the Resolutions

The Meetings will be held at 11.00am (AEDT) on Thursday, 2 April 2026 at the offices of Rural Funds Management Limited, Level 2, 2 King Street Deakin ACT 2600.

You can vote on the Resolutions by attending the Meetings and voting in person (or for a body corporate, by a corporate representative voting for you), by completing and returning the enclosed Proxy Form or lodging it electronically, as described on the Proxy Form.

Proxy Forms must be received by the Registry by 11.00am (AEDT) on Tuesday, 31 March 2026. For details on how to complete and lodge the Proxy Forms, please refer to the instructions on the Proxy Forms.

## 3. Important notices

### Purpose of this document

This Explanatory Memorandum has been prepared by Rural Funds Management Limited (RFM), as responsible entity and manager of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 collectively referred to as Rural Funds Group (RFF), to provide Unitholders with information regarding the Resolutions to be considered at the Meetings.

A copy of this Explanatory Memorandum has been provided to the ASX pursuant to the Listing Rules. Neither the ASX nor any of its officers takes any responsibility for the contents of this document.

A number of defined terms are used in this Explanatory Memorandum. These terms are explained in section 7.

### Not investment advice

The information contained in this Explanatory Memorandum does not constitute financial advice and has been prepared without considering the objectives, financial situation or needs of individuals (including financial and taxation issues). If you are in any doubt in relation to these matters, you should consult your financial, legal, taxation or other professional adviser.

### Disclaimer as to forward-looking statements

This Explanatory Memorandum contains certain "forward-looking statements".

The forward-looking statements in this Explanatory Memorandum reflect views held only as at the date of this Explanatory Memorandum, and generally may be identified by the use of forward-looking words, such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" or other similar words. Indications of, and guidance on, future earnings, distributions and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors - many of which are beyond the control of RFM, RFF, and their officers, employees, agents and advisers - that may cause actual results to differ materially from those expressed or implied in any forward-looking statements. Those risks and uncertainties include factors and risks specific to the industry in which RFF operates, as well as general economic conditions, prevailing exchange rates and interest rates, and conditions in the financial markets. The historical performance of RFF is no assurance of its future financial performance. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. RFM does not guarantee any particular rate of return or the performance of RFF, nor does it guarantee the repayment of capital from RFF or any particular tax treatment.

### Foreign jurisdictions

The release, publication or distribution of this Explanatory Memorandum in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Explanatory Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Explanatory Memorandum has been prepared in accordance with laws of the Commonwealth of Australia and the information contained in this Explanatory Memorandum may not be the same as that which would have been disclosed if this Explanatory Memorandum had been prepared in accordance with laws and regulations outside Australia.

### Charts, maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Explanatory Memorandum are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of issue of this Explanatory Memorandum.

## 4. Explanatory Memorandum

### 4.1 What is being considered at the Meetings?

#### *J&F guarantee*

In August 2018, Unitholders in Rural Funds Group approved the provision of a \$75.0 million limited guarantee (**Initial Guarantee**) to J&F Australia Pty Ltd (**J&F**). Unitholders have since voted in favour of two increases in the guarantee, so that the guarantee now sits at \$132.0 million (**Current Guarantee**).

J&F is a wholly owned subsidiary of Rural Funds Management Limited (**RFM**). RFM is the responsible entity of the Rural Funds Group (**RFF**). Accompanying the Initial Guarantee was RFF's purchase of five of JBS Australia Pty Limited's (**JBS**) Australian feedlots and the lease back of those properties to JBS.

The Current Guarantee allows J&F to:

- supply JBS with cattle, feed and associated costs used to stock the RFF-owned feedlots and additional JBS-owned or contracted feedlots; and,
- fund grain used by JBS for feed milling for livestock

(collectively, the **Feedlots**).

Since the implementation of the arrangements between J&F and JBS (**JBS Arrangements**), JBS has experienced high demand for its Australian livestock products, both internationally and domestically. As a result of increased demand, JBS has requested an increase in the existing arrangements with J&F. An increase to J&F's borrowings would require an increase in the amount of the Guarantee. JBS has also requested J&F supply JBS with lambs as part of the JBS Arrangements. It is expected this would initially represent less than 5% of the overall financial arrangement between J&F and JBS.

To facilitate increased J&F borrowings to support JBS's potential future operational requirements, Unitholder approval is sought to increase the Current Guarantee by up to \$68.0 million (the **Additional Guarantee**) to a maximum of \$200.0 million (the **Guarantee**). The increase in the Current Guarantee will be via two tranches:

- an initial increase in the Guarantee by up to \$28.0 million to up to \$160.0 million (**First Tranche Additional Guarantee**); and,
- subsequent increase of up to \$40.0 million to a maximum total Guarantee of up to \$200.0 million (**Second Tranche Additional Guarantee**) which will be conditional on asset sales of \$80.0 million (the **Condition**). If required, the Second Tranche Additional Guarantee may be implemented in increments, proportional to asset sales,<sup>2</sup> up to the maximum total Guarantee.

The Current Guarantee has a ten-year term for which RFF is paid a monthly fee (**Guarantee Fee**). The initial ten-year term expires on 22 August 2028. Unitholder approval is also being sought for an increase to the term of the Guarantee. If, prior to the expiry of the current term, J&F agrees to extend the term of the JBS Arrangements, RFF may also extend the term of the Guarantee for a further period of up to ten years<sup>3</sup> (**Term Extension**) assuming no other material changes to the terms of the Guarantee.

The Additional Guarantee amount of up to \$68.0 million is a variation to the Current Guarantee approved by Unitholders in August 2018, April 2020 and February 2022. As J&F is a wholly owned subsidiary of RFM, the Additional Guarantee and the Term Extension also requires Unitholder approval under ASX Listing Rule 10.1.

#### *Constitutional change*

Changes to the constitutions of Rural Funds Trust and RF Active (**Constitutions**) are proposed to allow the attribution of income over a distribution period provided it aligns the tax profile of a distribution with the distributable income for that period.

For RFF, a distribution period typically relates to a financial year with four quarterly interim distributions made during the year. Normally, income earned in a particular quarter is attributed to that quarter's distribution, rather than spread evenly over the year. However, there may be certain circumstances where it is more appropriate to attribute a certain item of income over the whole distribution period rather than to one quarter's distribution. The proposed change is seeking the ability to attribute income,

2. There is no guarantee that following Unitholder approval the Additional Guarantee will be utilised in full.

3. Term may be extended for multiple, shorter periods which cumulatively will not exceed ten years.

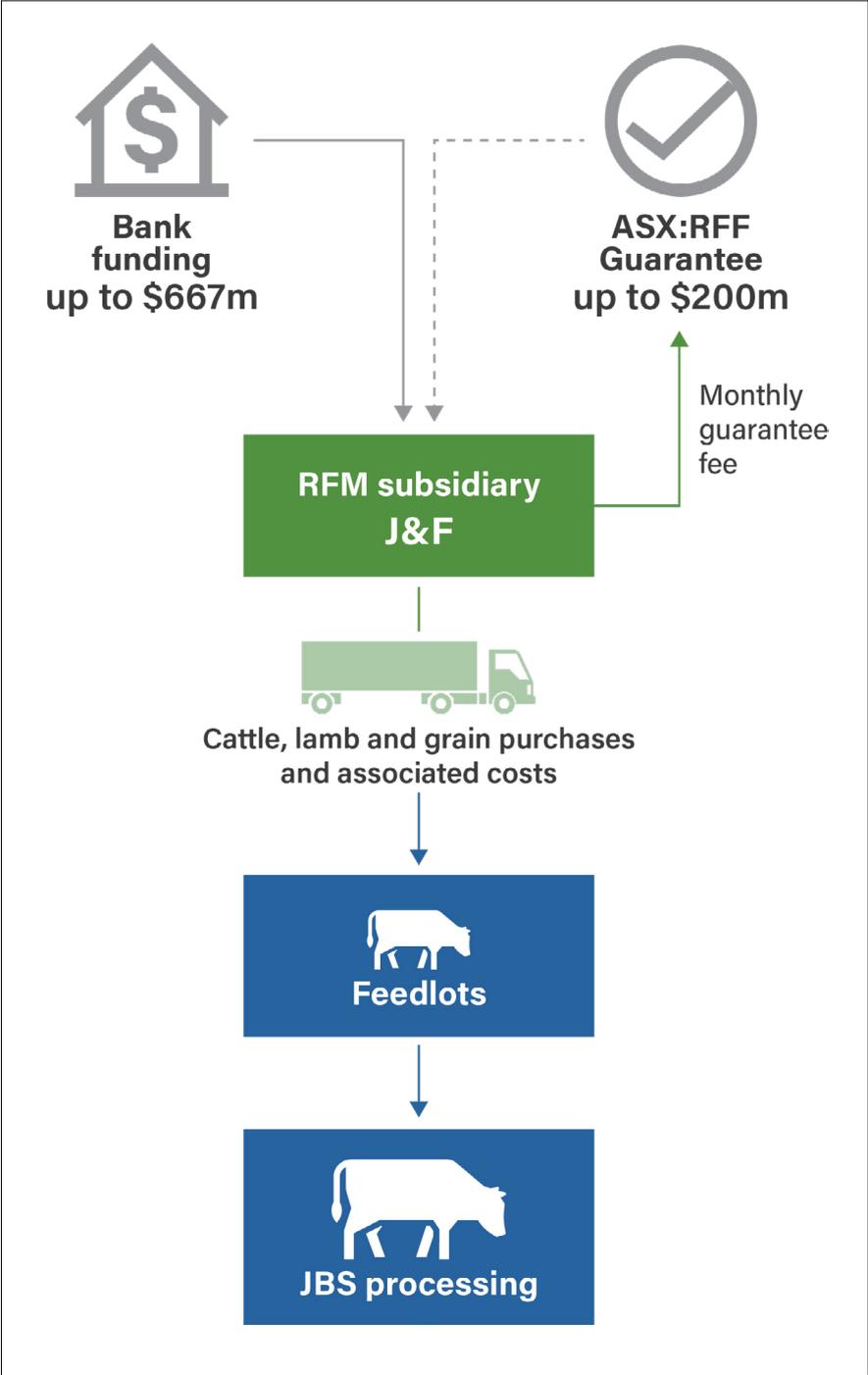
only when it is appropriate to do so, either to the full distribution period or part of it.

The Meetings are therefore being convened to consider the Resolutions to approve the First Tranche Additional Guarantee, Second Tranche Additional Guarantee, the Term Extension and the Constitutional Change.

**4.2 Overview of the Guarantee**

Figure 1 presents a diagrammatical representation of the Guarantee.

**Figure 1: Overview of the Guarantee<sup>4,5</sup>**



4. J&F is a wholly owned subsidiary of RFM. RFM is also the responsible entity of RFF. The Additional Guarantee requires Unitholder approval.  
5. JBS Australia Pty Ltd is a subsidiary of Baybrick Pty Ltd, which reported net assets of \$3.5 billion in its December 2024 accounts. Baybrick Pty Ltd is a subsidiary of JBS N.V.

Key terms of the Guarantee are consistent with what has been previously approved by Unitholders in August 2018, April 2020 and February 2022 and are shown at Figure 2.

**Figure 2: Key terms of the Guarantee**

<p><b>Guarantee</b></p>	<p>A limited guarantee of up to \$200.0 million (<b>Guarantee</b>) provided by RFF to J&amp;F. Currently \$132.0 million, the Guarantee will be initially increased to \$160.0 million following Unitholder approval. The Guarantee will:</p> <ul style="list-style-type: none"> <li>• earn a monthly income return, based on the utilisation of the actual guarantee (see 'Return' point);</li> <li>• not require a transfer of cash;</li> <li>• be treated as a contingent liability within RFF;<sup>6</sup> and</li> <li>• be used as security for the equivalent amount of J&amp;F's debt facility for cattle, lamb and grain purchases, feed and other costs associated with finishing the livestock on the Feedlots. Any changes in interest costs are borne by JBS.</li> </ul> <p>JBS has retained responsibility for the management or oversight of the Feedlots and J&amp;F has appointed JBS as its exclusive agent and manager.</p> <p>The bank loans totaling a maximum of \$666.7 million<sup>7</sup> will be supported by the cattle, lambs and grain in the Feedlots and the Guarantee (proportionate to the actual Guarantee).</p>
<p><b>Future increase to Guarantee</b></p>	<p>Unitholder approval is sought for an initial \$28.0 million increase in the Guarantee from \$132.0 million to up to \$160.0 million as well as a subsequent increase to up to \$200.0 million (subject to the Condition).</p> <p><b>First Tranche Additional Guarantee</b> Of this Additional Guarantee amount, it is expected that \$28.0 million will be made available to J&amp;F immediately following Unitholder approval, taking the Guarantee limit to a total of up to \$160.0 million (<b>First Tranche Additional Guarantee</b>).</p> <p><b>Second Tranche Additional Guarantee, subject to the Condition</b> Following Unitholder approval, this limit may be proportionately increased in the future to up to \$200.0 million (<b>Second Tranche Additional Guarantee</b>) conditional on asset sales of \$80.0 million (the <b>Condition</b>). The Second Tranche Additional Guarantee may be implemented in increments, proportional to asset sales, up to the maximum total Guarantee.</p> <p>Any future increases in the Guarantee to up to \$200.0 million will need to be agreed between J&amp;F and RFF, in support of a request to increase J&amp;F's debt facilities. Any increase will be on materially the same terms as currently in place. Following financier approval, the agreed amount of increase will be reflected in the J&amp;F facility agreements, which require RFF execution before coming into effect.</p>
<p><b>What triggers the Guarantee?</b></p>	<p>Key events through which the Guarantee would be triggered are a JBS default, or cattle mortalities above the insured threshold. In the event of a JBS or J&amp;F default:</p> <ul style="list-style-type: none"> <li>• J&amp;F would cease buying cattle, lambs and grain, and commence selling same in the Feedlots;</li> <li>• as sales complete, J&amp;F bank loans would be repaid. Given that lot-fed cattle can gain up to 2kgs per day and lambs over 0.3kg, and both are sold on a per kg basis, a material fall in price would be required to crystallise a shortfall; and</li> <li>• simultaneous to asset sales, the Guarantee would be called to cover any shortfall between J&amp;F borrowings and proceeds of sales, but limited to the Guarantee amount at that date. Any sale proceeds in excess of the J&amp;F bank loans would be paid to RFF.<sup>8</sup></li> </ul>
<p><b>JBS obligations</b></p>	<p>Baybrick Pty Ltd (<b>Baybrick</b>), a subsidiary of JBS N.V., guarantees the obligations of JBS.</p>

6. A credit loss allowance will be recognised as a liability within RFF, considering the probability of the Guarantee being triggered. In HY26 this amount was \$0.198 million.

7. For J&F borrowings of \$666.7 million the equivalent Guarantee would be \$200.0 million. The Current Guarantee can support J&F bank loans totaling up to \$440.0 million.

8. Pursuant to RFF's second ranking security of the J&F assets.

<b>Operating risk</b>	RFF will not be directly exposed to operating risks of the Feedlots given the nature of the JBS Arrangements. JBS is responsible for cattle, lambs, grain and feedlot management and oversight.
<b>Mortalities</b>	J&F is responsible for mortality of cattle above a certain threshold and will be similarly responsible for mortality of lambs. In respect of cattle, J&F currently holds insurance for reasonable mortality risk above this threshold. See Risks, Section 4.15.
<b>Return</b>	<p>The Guarantee will earn a return on equity calculated on the actual Guarantee amount being, following Unitholder approval,</p> <ul style="list-style-type: none"> <li>• \$160.0 million,</li> <li>• with the potential to increase up to \$200.0 million (subject to the Condition).</li> </ul> <p>When the Guarantee is \$160.0 million, the return rate will flex within an agreed range, depending on the level of debt drawn within J&amp;F. The minimum Guarantee return rate is calculated on drawn debt of \$462.2 million and the maximum is calculated on drawn debt of \$533.3 million.</p> <p>The Independent Expert has assessed the return rate on the First Tranche Additional Guarantee to be in the range of 9.8% to 11.3%.<sup>9</sup></p>
<b>Term</b>	The initial ten-year term of the Guarantee expires on 22 August 2028.
<b>Term Extension</b>	Subject to Unitholder approval, if prior to the expiry of its current arrangements with JBS, J&F can secure an extension, RFF may also extend the term of the Guarantee for a further period of up to ten years ( <b>Term Extension</b> ). The term may be extended for multiple, shorter, periods which cumulatively will not exceed ten years and on the basis no other material changes are made to the terms of the Guarantee.
<b>Livestock ownership</b>	Cattle, lambs and grain are owned by J&F and act as security until they are acquired by JBS once they have achieved desired weight, typically after 100 – 180 days for cattle and 70 days for lambs.
<b>Management fee and cost recovery</b>	<p>Each month, J&amp;F pays RFM:</p> <ul style="list-style-type: none"> <li>• a maximum management fee of 1.05% (exclusive of GST), calculated on the actual Guarantee amount; and,</li> <li>• cost recovery.</li> </ul> <p>RFM will not charge any additional management fee within RFF and there is no management fee charged on the loan facilities.</p>
<b>Termination</b>	<p>Termination may be triggered by:</p> <ul style="list-style-type: none"> <li>• the withdrawal of the J&amp;F bank facility;</li> <li>• JBS exercising the call option over the Feedlots from year 6 (termination is at J&amp;F's option);</li> <li>• default of agreements between J&amp;F and JBS.</li> </ul>

### 4.3 Second Tranche Additional Guarantee Condition

Implementation of the Second Tranche Additional Guarantee, up to a maximum of \$200.0 million, will be conditional on \$80.0 million in asset sales (the **Condition**). The Second Tranche Additional Guarantee may be implemented in increments, proportional to asset sales, up to the maximum total Guarantee. The staged approach to implementation will ensure LVR on a pro forma basis does not increase as a consequence of the Second Tranche Additional Guarantee.

### 4.4 Ownership of J&F

RFM acquired J&F in August 2018. RFM's ownership of J&F, as opposed to it being owned by RFF, quarantines the operational risks and responsibilities within J&F and limits RFF risk to the value of the Guarantee. Taking on the full operating risk and responsibility of the JBS Arrangements would compromise RFF's REIT status.

J&F's profit is limited to 1.05% per annum of the value of the Guarantee, which is equivalent to the RFM management fee charged in RFF. RFM does not and will not profit from its ownership of J&F in excess of this 1.05%. If RFM in the future sells J&F, any profit from such a sale will be distributed to RFF (net of management fees, cost recoveries and costs of completing the sale).

9. Subject to various adjustments. See Independent Expert Report at section 5.

#### 4.5 What is the impact of the Additional Guarantee on RFF?

J&F has paid RFF the Guarantee Fee since August 2018. The return to RFF in the half year ended 31 December 2025 is shown in Figure 3.

Figure 3: RFF returns from the Guarantee

	HY26	HY26 return <sup>10</sup>	Comments
<b>Guarantee amount</b>	<b>\$124.0m</b>		<b>Average Guarantee for the half year</b>
<b>Gross guarantee fee</b>	\$6.6m	10.7%	Net of management costs
<b>Finance costs</b>	(\$3.2)m	(5.2%)	Cost of funding relating to the term debt held in J&F
<b>Net finance income</b>	\$3.4m	5.5%	J&F revenue is recognised as finance income. See note D1 of RFF HY26 financial accounts

Changes to key portfolio metrics based on an increase to the Guarantee are shown in Figure 4. FY26 pro forma forecasts assume the J&F facility is in place for the full financial year.

Figure 4: Financial impact

	FY26 forecast disclosed 20 February 2026	Pro forma \$138.7m utilisation <sup>11</sup>	Pro forma \$160m full utilisation <sup>12</sup>	Pro forma \$200.0m full utilisation with \$80.0m of asset sales <sup>13</sup>
<b>Guarantee</b>	\$132.0m	\$138.7m	\$160.0m	\$200.0m
<b>J&amp;F facility limit</b>	\$440.0m	\$533.3m	\$533.3 m	\$666.7m
<b>AFFO per Unit<sup>14</sup></b>	11.7 cents	11.9 cents	12.2 cents	12.7 cents
<b>DPU</b>	11.73 cents	11.73 cents	11.73 cents	11.73 cents
<b>AFFO payout ratio</b>	100.3%	98.6%	96.1%	92.4%
<b>Pro forma gearing<sup>15</sup></b>	39.1%	39.1%	39.1%	36.7%
<b>Pro forma LVR<sup>16</sup></b>	48.0%	48.4%	49.6%	49.6%

If the Additional Guarantee is approved by Unitholders, the Guarantee would increase to \$160.0 million in April 2026. Given the short period of utilisation in FY26, the increase would have a minimal impact this financial year. FY26 forecast AFFO would remain unchanged at 11.7 cents per Unit.<sup>17</sup>

10. Annualised return calculated on average guarantee amount of \$124.0 million for the half year.

11. Assumes bottom of utilisation range based on \$160.0m guarantee amount.

12. Assumes top of utilisation range based on \$160.0m guarantee amount.

13. Assumes same return rate as \$160.0 million full utilisation proforma. Any increase in the J&F debt facilities or the Guarantee will require approval from each entity's financier.

14. Full year impact of transaction on pro forma. Assumes asset sales have no impact on AFFO per Unit and no change to interest rates.

15. Gearing as at 31 December 2025. Pro forma (assumes sale of 4,000ML of Murrumbidgee river water for \$34.0m contracted for sale in December 2025, settlement in 2H26.)

16. LVR as at 31 December 2025. Pro forma (assumes sale of 4,000ML of Murrumbidgee river water for \$34.0m contracted for sale in December 2025, settlement in 2H26 and refinance of Wyseby debt facility.)

17. Assumes full utilisation of the \$160.0 million guarantee from 1 April 2026.

#### 4.6 Why is Unitholder approval being sought for the Additional Guarantee and the Term Extension?

ASX Listing Rules require that Unitholders approve the Additional Guarantee before it can be entered into. ASX Listing Rule 10.1 provides that RFM, as responsible entity of RFF, must ensure that RFF does not agree to acquire or dispose of a substantial asset with a related party without the approval of Unitholders.

Because the Additional Guarantee and any Term Extension:

- is an agreement with a related party<sup>18</sup> (pursuant to Listing Rule 10.1.1), due to RFM being the responsible entity for RFF and controlling J&F; and
- has a value of up to \$200.0 million which represents 18.7% of the equity interests of RFF (as at 31 December 2025).<sup>19</sup> The Guarantee is therefore a "substantial asset" of RFF, given it exceeds 5% of equity interests in RFF.

the approval of Unitholders is required.

The Resolutions to approve the Additional Guarantee and the Term Extension may be passed by a majority of non-associated Unitholders voting on an ordinary resolution (greater than 50% of votes being cast in favour of the Resolution).

#### 4.7 Why are there two resolutions relating to the Additional Guarantee?

If the First Tranche Additional Guarantee is approved by Unitholders, it is expected that an additional \$28.0 million of the Additional Guarantee will be made available to J&F immediately, to allow it to facilitate JBS's requirements.

The Second Tranche Additional Guarantee is a separate resolution, conditional on asset sales of \$80.0 million. The staged approach to implementation will ensure LVR on a pro forma basis does not increase as a consequence of the Second Tranche Additional Guarantee. The Second Tranche Additional Guarantee, if implemented in full, would be an additional \$40.0 million, to a total Guarantee of up to \$200.0 million. The Second Tranche Additional Guarantee may be implemented in multiple increments, proportional to asset sales, up to the maximum total Guarantee.

#### 4.8 Funding

The Guarantee does not require a transfer of cash from RFF. The amount of the Guarantee is included in the calculation of RFF's LVR,<sup>20</sup> but does not impact its gearing.<sup>21</sup> As the Guarantee is included in the LVR calculation, it will reduce the available headroom under the RFF debt facilities.

#### 4.9 Advantages of the Guarantee

The anticipated advantages to RFF of the Guarantee include:

##### 1. AFFO accretive

The return rate on the First Tranche Additional Guarantee to J&F ranges between 9.8% to 11.3% and will be AFFO accretive. The Guarantee has to date produced high income returns for RFF (see section 4.5).

##### 2. Counterparty strength

JBS is the largest cattle processor in Australia and is a subsidiary of Baybrick. Following a corporate restructure ahead of its June 2025 listing on the New York Stock Exchange, Baybrick's ultimate parent company is JBS N.V.<sup>22</sup> Baybrick guarantees the obligations of JBS under the JBS Arrangements. JBS N.V. is the largest meat producer worldwide.

18. Under Chapter 19 ASX Listing Rules, the definition of related party includes 'in relation to an externally managed trust, the responsible entity of that trust'.

19. When the Guarantee was first approved by Unitholders in 2018, it was \$75.0 million and at that time represented 20.7% of the equity interests of RFF.

20. Loan to value ratio (LVR) is calculated as term debt drawn plus the Guarantee, divided by directly secured assets based on independent valuations.

21. Gearing is calculated as external borrowings divided by adjusted total assets.

22. Ultimate parent company was formerly JBS S.A. which is now a wholly-owned subsidiary of JBS N.V.

Figure 5: JBS N.V. credit rating by agency

Agency	Scale	Rating	Outlook	Last revision
Fitch	Global	BBB-	Stable	05/19/2025
Moody's	Global	Baa3	Stable	08/29/2024
Standard & Poor's	Global	BBB-	Stable	04/17/2024

JBS N.V. has a market capitalisation of approx. USD17.7 billion as at 30 January 2026.

### 3. Consistent with REIT structure

The structure of the Guarantee quarantines operating risks, responsibilities and maintains RFF's REIT structure.

#### 4.10 Disadvantages of the Guarantee

The potential disadvantages for RFF as a consequence of the Guarantee include:

##### 1. Counterparty risk

The RFF-owned feedlots are leased to JBS and income from the Guarantee is solely derived from agreements between J&F and JBS<sup>23</sup> (**Agreements**). There is a risk that JBS may default on its financial or operational lease obligations to RFF. Any financial default would reduce RFF's revenue and its ability to meet its debt obligations and to pay distributions. An operational default by JBS may require RFF to meet operating obligations until a new lessee is contracted. In the case of a default by JBS, the health or quality of the Feedlots may be adversely affected.

A guarantee is provided by Baybrick which reported net assets of \$3.5 billion in its December 2024 accounts. Baybrick is a wholly owned subsidiary of JBS N.V., a company that is listed on the New York Stock Exchange. The JBS N.V. founders, who control 54% of JBS N.V., were in 2017 convicted of bribery and other similar charges in relation to activities associated with the Brazilian Government. RFF is not aware of any other misconduct or potential charges; however, it is possible that if further charges were to be laid in the future, the reputation or financial standing of JBS could be negatively impacted.

##### 2. Variation in RFF's risk profile

When first implemented, the Guarantee represented a different risk proposition to RFF's historical portfolio. If the Additional Guarantee is approved by Unitholders, J&F will immediately be financed by \$533.3 million of bank debt, backed by the Guarantee and the cattle, lambs and grain acquired. In the event JBS, or Baybrick as guarantor, is unable to meet its obligations to J&F under the Agreements, J&F will commence selling cattle, lambs and grain in the Feedlots and use proceeds to repay the loan. If there is a shortfall between proceeds from such sales and the remaining loan balance, the Guarantee in favour of J&F would be called but limited to the amount drawn, up to the maximum Guarantee.<sup>24</sup>

##### 3. Early termination and interest rate changes

The Guarantee commenced on 22 August 2018 and currently has a term of ten years. In the event JBS exercises the call option over the Feedlots between year six and year ten, RFF may elect to terminate the Guarantee. This would result in a shorter investment timeframe for RFF.

There is also a risk of early termination associated with J&F banking facilities. J&F has secured (subject to Unitholder approval of the Additional Guarantee) \$533.3 million of funding from two major Australian banks. The current facilities are in place until August 2026. Although it is likely that they will be renewed, there is no guarantee that the funding will be available for the ten-year term of the Agreements. Under the Agreements, J&F has the right to terminate should funding not be available.

It is possible that the interest rate for the facility will be different at the time the facility is renewed. This risk is borne by JBS through a change to the rate paid to J&F under the Agreements.

J&F has the ability to terminate the JBS Arrangements at any time upon 120 days notice and payment of a break fee to JBS. It would then terminate the Guarantee agreements with RFF.

23. Agreements include grain and will be amended to include lambs.

24. If the Guarantee is at the maximum \$200.0 million, the commensurate borrowing amount would be \$666.7 million.

#### 4. Mortalities

The Feedlots are stocked with cattle and grain owned by (and will be stocked with lambs owned by), J&F, a wholly owned subsidiary of RFM. Operations on the majority of these Feedlots are directly managed by JBS, which bears responsibility for mortalities up to a certain threshold across all Feedlots. RFM currently mitigates reasonable mortality risk on RFF-owned feedlots above this threshold through insurance. Insurance may be retained for the period of the Guarantee; however, there is no certainty that it will be obtainable for the entire term (including any Term Extension), or that any insurance will provide cover for all sites, or all events or diseases that may occur in the future. Any claim on an insurance policy will incur a deductible (excess). In addition, although J&F will meet the cost of any insurance policy, any increase in the cost of the premium would result in a net decrease in the return paid to RFF. For the grain funded by J&F, insurance is currently held by JBS.

Cattle mortalities for January to December 2025 were approximately 2.0% (calculated as a percentage of monthly head sold).

The average mortality rate for lambs is slightly higher than for cattle, however still under the threshold by which JBS bears responsibility for mortalities. The contractual arrangements in place between JBS and J&F for cattle will also apply to any lambs within the JBS Arrangements.

#### 4.11 What happens if the Additional Guarantee is approved?

If the First Tranche Additional Guarantee is approved by Unitholders, it is expected that an additional \$28.0 million of the Additional Guarantee will be made available to J&F immediately, taking the Guarantee limit to a total of \$160.0 million. If the Second Tranche Additional Guarantee is also approved, this may be increased to up to \$200.0 million in the future by agreement with RFF's financiers and without further Unitholder approval.<sup>25</sup>

In the event the First Tranche Additional Guarantee is approved by Unitholders, but the Second Tranche Additional Guarantee is not, the Independent Expert has concluded that the Guarantee remains fair and reasonable to the Non-Associated Unitholders of RFF under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act.

Section 4.5 of this Explanatory Memorandum has details of the expected financial impact on RFF if the Additional Guarantee is approved.

#### 4.12 What happens if the Additional Guarantee is not approved?

If both Guarantee Resolutions are not passed at the Meetings, or the Second Tranche Additional Guarantee Resolution is passed but not the First Tranche Additional Guarantee Resolution, the Guarantee will not increase and will remain at \$132.0 million. JBS may look for alternative funding sources to meet its operational needs and diversify its counterparts thereby reducing its reliance on the arrangement with J&F.

#### 4.13 What happens if the Term Extension is approved?

If the Term Extension Resolution is approved by Unitholders, and prior to expiry of the current term, J&F agrees to extend the term of the JBS Arrangements, RFF may also extend the term of the Guarantee for a further period of up to ten years assuming no other material changes to the terms of the Guarantee.

The Term Extension Resolution is not conditional on the Additional Guarantee being approved.

#### 4.14 What happens if the Term Extension is not approved?

If the Term Extension Resolution is not passed at the Meetings, the term of the Guarantee will not be extended past its current expiry date of 22 August 2028. At or prior to expiry, JBS may look for alternative funding sources to meet its operational needs and diversify its counterparts thereby reducing its reliance on the arrangement with J&F.

25. There is no guarantee that the Second Tranche Additional Guarantee will be utilised in full.

#### 4.15 Risks associated with the Guarantee

##### 1. Counterpart risk

There is a risk that JBS may default on its financial or operational lease obligations to J&F or RFF. Any financial default would reduce RFF's revenue and its ability to meet its debt obligations and to pay distributions. An operational default by a counterpart may require RFF to meet operating obligations until a new lessee is contracted. In the case of a default by a counterpart, the health or quality of RFF's asset may be adversely affected.

##### 2. Solvency of Baybrick

Baybrick has guaranteed JBS's performance under the various transaction documents. There is therefore a risk that, in the event of insolvency, Baybrick would not be able to honour the guarantee. However, Baybrick is an entity of substance with reported net assets of \$3.5 billion in its December 2024 accounts.

##### 3. Reputational risk

A guarantee is provided by Baybrick which reported net assets of \$3.5 billion in its December 2024 accounts. Baybrick is a wholly owned subsidiary of JBS N.V., a company that is listed on the New York Stock Exchange. The JBS N.V. founders, who control 54% of JBS N.V., in 2017 were subject to legal proceedings relating to bribery and other similar charges in relation to activities associated with the Brazilian Government. RFM is not aware of any other misconduct or potential charges; however, it is possible that if further charges were to be laid in the future, the reputation or financial standing of JBS could be negatively impacted.

##### 4. Mortality risk

The Feedlots are stocked with cattle and grain owned by J&F, a wholly owned subsidiary of RFM. The Feedlots will also be stocked with lambs. Operations on the majority of these Feedlots are directly managed by JBS, which bears responsibility for mortalities up to a certain threshold across all Feedlots. RFM mitigates reasonable mortality risk on RFF-owned feedlots above this threshold through insurance. Insurance may be retained for the period of the Guarantee; however, there is no certainty that it will be obtainable for the entire term (including any Term Extension), or that the insurance will provide cover for all sites, or all events or diseases that may occur in the future. Any claim on an insurance policy will incur a deductible (excess). In addition, although J&F will meet the cost of any insurance policy, any increase in the cost of the premium would result in a net decrease in the return paid to RFF. For the grain funded by J&F, insurance is currently held by JBS.

Cattle mortalities for January to December 2025 were approximately 2.0% (calculated as a percentage of monthly head sold).

The average mortality rate for lambs is slightly higher than for cattle, however still under the threshold by which JBS bears responsibility for mortalities. The contractual arrangements in place between JBS and J&F for cattle will also apply to any lambs within the JBS Arrangements.

##### 5. Variation in RFF's risk profile

RFM's business strategy for RFF is focused on building RFF's portfolio and cash yield through the management, acquisition and development of agricultural assets. The Guarantee will be used as security for up to \$200.0 million of J&F's borrowings.<sup>26</sup> The Guarantee ranks behind the J&F borrowings in the event of J&F default by way of a second ranking security on the J&F assets. There is a risk that the assets have insufficient residual value when RFF enforces its security.

#### 4.16 Value of the financial benefit received by RFM

RFM will charge J&F a management fee of 1.05% p.a. This management fee is calculated on the value of the Guarantee, and not on the total J&F borrowings. This management fee, along with costs recovery, is paid monthly by J&F to RFM. If RFM in the future sells J&F, any profit from such a sale will be distributed to RFF (net of management fees, cost recoveries and costs of completing the sale).

26. Security amount commensurate to Guarantee level documented with RFF's financiers at that time.

#### 4.17 Directors' interests

Mr David Bryant, the Managing Director of RFM, owns 86.77% of the issued shares in RFM. Mr Guy Paynter, the Chair of RFM, owns 4.57% of the issued shares in RFM. The remaining shares on issue in RFM are held by RFM staff.

Mr Michael Carroll, Mr Julian Widdup and Mrs Andrea Lemmon are independent directors and do not hold any shares or have any financial interest in RFM.

The Board of RFM (consisting of all directors other than Mr Bryant and Mr Paynter) has considered these disclosures as required by the Directors' Conflict of Interests Policy, having regard to the nature of the interests disclosed and all relevant circumstances, and resolved that Mr Bryant and Mr Paynter should not be disqualified from participating in discussions or decisions of the Board of RFM relating to the Guarantee, but should abstain from making or participating in any recommendation to Unitholders in relation to the Guarantee.

#### 4.18 Opinion of the Independent Expert

In accordance with the ASX Listing Rules and the Corporations Act, RFM engaged Grant Thornton Corporate Finance Pty Ltd (**Independent Expert**) to review the Additional Guarantee and provide an independent expert's report setting out whether the Additional Guarantee is fair and reasonable to Unitholders not associated with a party to the transaction.

The Independent Expert has concluded that in respect of the Non-Associated Unitholders of RFF, and under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act:

- the Guarantee is fair and reasonable;
- the First Tranche Additional Guarantee is fair and reasonable in the event that the Second Tranche Additional Guarantee is not approved; and,
- the Term Extension is fair and reasonable.

A copy of the Independent Expert's Report is set out in section 5 to this Explanatory Memorandum. Unitholders should read the Independent Expert's Report in full.

#### 4.19 What happens if the Constitutional Change is approved?

Changes to the constitutions of Rural Funds Trust and RF Active (**Constitutions**) are proposed to allow the attribution of income over a distribution period provided it aligns the tax profile of a distribution with the distributable income for that period.

For RFF, a distribution period typically relates to a financial year with four quarterly interim distributions made during the year. Normally, income earned in a particular quarter is attributed to that quarter's distribution, rather than spread evenly over the year. However, there may be certain circumstances where it is more appropriate to attribute a certain item of income over the whole distribution period rather than to one quarter's distribution. The proposed change is seeking the ability to attribute income, only when it is appropriate to do so, either to the full distribution period or part of it.

If the Constitutional Change is approved by Unitholders, the following amendments would be made to implement the changes described above.

1. Amending clause 15.5 of the Constitutions to include those words **underlined:**  
(b) any additional **or lesser** amount whether income or capital which the Manager considers appropriate for **inclusion or exclusion** for distribution in the period.  
and
2. Inserting new clause 15.8A(a)(iv):  
(iv) Notwithstanding clauses 15.8A(a)(i)-(iii), if the Manager has made a determination under clause 15.5 that the distributable income for a Distribution Period is different to the Income received during that Distribution Period, the Manager may, by reference to such methodology determined by the Manager (provided the methodology is applied consistently and is reasonable in the Manager's opinion) make the necessary adjustments in calculating a Member's tax attribution for the Distribution Period, such that the Member's share of the distributable income and the associated taxation attributes for that share, are aligned.

# Rural Funds Group

Independent Expert's Report and Financial Services Guide

24 February 2026

Independent Directors  
Rural Funds Management Limited  
as responsible entity for  
Rural Funds Trust ARSN 112 951 578  
Level 2, 2 King Street  
Deakin ACT 2600

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24 February 2026

Dear Independent Directors

## Introduction

*All capitalised items in this report are defined in the glossary included in Appendix D.*

- 1.1 RFF is an Australian real estate investment trust that owns a portfolio of Australian agricultural assets that are leased to agricultural operators. RFF is managed by RFM, an agricultural investment manager. RFF is listed on the ASX and as at 23 February 2026 it had a market capitalisation of A\$826.2 million<sup>1</sup>.
- 1.2 JBS N.V. (previously JBS S.A.) is a dual listed company trading on the New York Stock Exchange and São Paulo Stock Exchange with a market capitalisation of c. A\$25.3 billion<sup>2</sup> as at 23 February 2026. Baybrick is a wholly-owned subsidiary of JBS N.V. and is the parent company of 2 subsidiaries, including JBS<sup>3</sup>. Baybrick specialises in meat packing and supplying grain and pasture fed meats to customers in Australia and overseas.
- 1.3 In August 2018, RFF Unitholders approved the provision of a A\$75.0 million limited guarantee to J&F, a wholly-owned subsidiary of RFM. The Initial Guarantee was approved with a ten-year term for which RFF is paid a monthly Guarantee Fee. J&F has paid RFF the Guarantee Fee since August 2018. In conjunction with entering into the Initial Guarantee, RFF purchased five of JBS's Australian feedlots for A\$52.7 million and subsequently leased back those properties to JBS under a 10-year triple net lease<sup>4</sup> with CPI indexation. On 14 April 2020, an increase to the Initial Guarantee to a total of A\$100.0 million was approved by Unitholders allowing J&F to increase the Finance Facilities up to an aggregate of A\$333

<sup>1</sup> Based on a closing share price of c. A\$2.12 and 389,722,999 units on issue

<sup>2</sup> Based on a closing share price of c. US\$16.1, 1.1 billion shares and an exchange rate of c. 0.7062 USD to one Australian Dollar as at 23 February 2026.

<sup>3</sup> Detailed organisation structure chart of Baybrick provided in Figure 32.

<sup>4</sup> A triple net lease is a lease agreement whereby the lessee promises to pay all the expenses of the property including real estate taxes, building insurance, and maintenance. These payments are in addition to rent and utilities fees.

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million<sup>5</sup>. On 4 February 2022, a further A\$32 million increase to the Initial Guarantee to a total of A\$132.0 million was approved by Unitholders, allowing J&F to increase their Finance Facilities to an aggregate of A\$440 million<sup>6</sup>.

- 1.4 The Initial Guarantee allows J&F to supply JBS with cattle, feed and associated costs used to stock the RFF-Owned Feedlots. The Current Guarantee had progressively extended the guarantee amount from the Initial Guarantee, and also allowed J&F to fund grain used by JBS for feed milling for livestock, which we note constitutes an insignificant portion of the overall facility. The current number of contracted grain feed sites include Balpool Feedmill, Corowa Bunker Site, Malthouse Corowa, Oxdale Feedmill, Baker Grain, Coreen, and Blairs Produce. The Current Guarantee also extended the number of contracted cattle feedlots to include Sapphire, Smithfield, Yambinya, Dingo Park, Condabri, and Yarramildi. The Additional Guarantee will further amend the Guarantee to allow J&F to supply JBS with lamb, in addition to increasing the guarantee amount provided by RFF to J&F.
- 1.5 J&F funds the operations of the Feedlots (primarily the purchase of cattle) via bank debt provided by Rabobank and ANZ. Under the Current Guarantee, the Financiers have first-ranking security over J&F's assets and RFF has second-ranking security, behind the Financiers. In return for providing the Current Guarantee, J&F pays RFF the Guarantee Fee based on a sliding rate which varies depending on the level of debt drawn under the Finance Facilities.
- 1.6 Under the Current Guarantee, the purchasing, management and selling of cattle in regards to the Feedlots is regulated through a CMSFA and CPSA, together referred to as "Cattle Agreements"<sup>7</sup> between JBS and J&F. Similarly, the purchasing, management and selling of grain for JBS Pork is regulated through a GMSA and GPSA, together referred to as "Grain Agreements"<sup>8</sup> between JBS Pork and J&F. The Additional Guarantee will seek to introduce a LMSFA and LPSA to include the purchasing, management, and selling of lamb<sup>9</sup>.
- 1.7 In late 2021, as a result of strong market conditions and increasing cattle prices and demand, an increase in the existing arrangements between JBS and J&F was required to grow the value of cattle held in the feedlots. Accordingly, J&F proposed to enter into an agreement with the Financiers to increase the Finance Facilities by an initial A\$47 million—to meet JBS's immediate requirements—which required a proportional increase of A\$14 million to the April 2020 Guarantee from A\$100 million to A\$114 million. On this basis, RFF had elected to seek Non-Associated Unitholders' approval to increase the April 2020 Guarantee by up to A\$32 million to a maximum of A\$132 million. The agreements were approved by Non-Associated Unitholders on 14 April 2020 and 4 February 2022 respectively.
- 1.8 Similarly, in early 2026, JBS has experienced high international and domestic demand for its Australian grain fed beef products. On this basis, JBS has proposed a commensurate increase to the amount of the Current Guarantee. JBS has also requested J&F to supply lambs as part of the JBS Arrangements. It is expected the lamb component would initially represent less than 5% of the overall financial arrangement. Accordingly, subject to approval of Non-Associated Unitholders, J&F is seeking to enter into an agreement with Financiers to increase the Finance Facilities by up to A\$68.0 million. Unitholder approval will be first sought to initially increase the Current Guarantee by A\$28.0 million to A\$160.0 million, with a subsequent increase of up to A\$40.0 million to A\$200.0 million. The Second Tranche Additional Guarantee will be

<sup>5</sup> Consisting of a A\$233 million working capital facility and a A\$100 million term facility.

<sup>6</sup> Consisting of a A\$308 million working capital facility and a A\$132 million term facility.

<sup>7</sup> Refer to section 2 for the terms of the Cattle Agreements.

<sup>8</sup> Refer to section 2 for the terms of the Grain Agreements.

<sup>9</sup> As at the date of this report, drafting of the Lamb Agreements is incomplete and the agreements have not yet been reviewed by JBS. Refer to section 2 for further detail of the Lamb Agreements

conditional on asset sales of c. A\$80 million following the implementation of the First Tranche Additional Guarantee.

- 1.9 We note that RFF has elected to seek Non-Associated Unitholders approval to increase the Current Guarantee by up to A\$68 million to a maximum of A\$200 million. Unitholder approval is being sought regarding the First Tranche Additional Guarantee and the Second Tranche Additional Guarantee, with the Second Tranche Additional Guarantee being subject to the Condition. The additional headroom granted by the Guarantee will allow J&F to increase the debt limit on the Finance Facilities up to a maximum of A\$666.7 million<sup>10</sup> (subject to approval by the Financiers), without seeking further approval from Non-Associated Unitholders. Any future increase in the Guarantee from A\$132 million to A\$200 million will need to be agreed between J&F and RFF, in support of a request to increase J&F's debt facilities, which will be on substantially the same terms as currently in place. Following approval by the Financiers, RFF approval would be required to execute the increase. The increase in the Finance Facilities and Guarantee is being implemented by way of amending deeds, herein referred to as the "Facilities Deed of Amendment" and "Guarantee Deed of Amendment".
- 1.10 We note that the Financiers have preliminarily approved the increase in the Finance Facilities up to an aggregate of A\$533.3 million, subject to Non-Associated Unitholders' approval. However, the Current Guarantee of A\$132 million only allows J&F to draw down a maximum amount of A\$440 million. The increase in the debt limit to A\$533.3 million via the First Tranche Additional Guarantee consists of an increase in the working capital facility from A\$308 million to A\$373.3 million and an increase in the term facility from A\$132 million to A\$160 million. If Non-Associated Unitholders do not approve the Proposed Transaction, the working capital facility and term facility limits will remain at A\$308 million and A\$132 million respectively.
- 1.11 Below we provide a summary of the Finance Facilities based on the draft Facilities Deed of Amendment and original Finance Facilities agreement.
- *Working Capital Facility* - A\$308 million committed, with the potential to increase to a maximum of A\$466.7 million subject to a corresponding increase in the Guarantee and approval by RFF and the Financiers. The key terms are as follows:
    - For working capital purposes relating to the purchase of cattle, grain, and lambs, costs associated with the management of those assets, and the refinancing of existing debt facilities;
    - A facility term starting 4 December 2025, ending 31 August 2026.
    - Interest rate is based on a combination of the BBSY and an additional margin.
    - An initial establishment fee for the facility and an unused fee payable on the undrawn portion of facility.
    - Security in the form of the General Security Agreement in respect of the assets and undertakings of J&F.

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<sup>10</sup> Should J&F increase its Finance Facilities to the maximum amount of A\$666.7 million, this would correspond with a A\$200 million cash advance facility and a A\$466.7 million working capital facility.

- The facility drawdown may not exceed 90% of receivables, 85% of feedlot cattle and 50% of backgrounding cattle relating to sales of inventory to JBS, and 70% of the value of cash held in a collection account plus 60% of feed costs. Receivables may not be more than 30 days overdue.
- If the Proposed Transaction is not approved, the committed working capital facility limit will remain at A\$308 million.
- *Cash Advance Facility* – A\$132 million committed, with the potential to increase the limit to A\$200 million subject to a like-for-like increase in the Guarantee and approval by RFF and the Financiers. The key terms of which are as follows:
  - A facility term starting 4 December 2025, ending 31 August 2026.
  - Interest rate is based on a combination of the BBSY and an additional margin.
  - An initial establishment fee for the facility and an unused fee payable on the undrawn portion of the facility.
  - If the Proposed Transaction is not approved, the cash advance facility limit will remain at A\$132 million.
  - Security in the form of:
    - The Guarantee, which applies only for this facility.
    - A General Security Agreement in respect of the assets and undertakings of J&F.

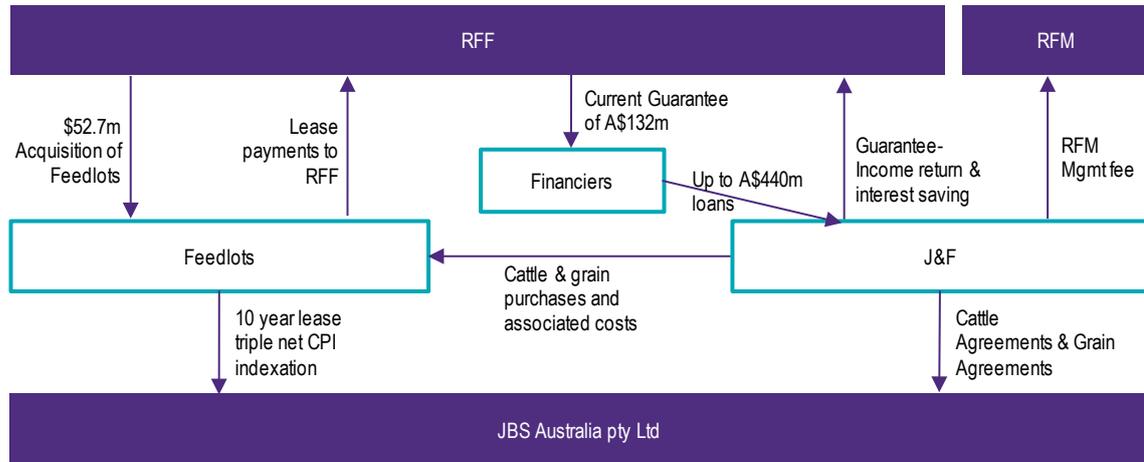
1.12 Key terms of the Guarantee are as follows:

- The term is 10 years to 2028, in line with the Cattle Agreements (the expectation is that the above Finance Facilities will extend over the duration of the Cattle Agreements).
- Guarantee Fee - effectively a sliding rate depending on the balance of the facility above A\$462.2 million. This fee does not include any interest on cash held as collateral, insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFM that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee).
- Second ranking security behind the Financiers on the Secured Assets of J&F.

1.13 On the following page, we provide a summary of the arrangements between RFF, J&F, JBS and RFM following the Proposed Transaction. We note that Non-Associated Unitholder approval is only being sought in relation to the increase in the Guarantee from A\$132 million to a maximum of A\$200 million.

1.14 The following diagram summarises the arrangements:

**Figure 1 - Summary of Current Guarantee arrangements**



Source: Management

## Purpose of the report

- 1.15 Chapter 10 of the ASX Listing Rules requires the approval from the Non-Associated unitholders, if the company proposes to acquire or dispose of a substantial asset from a related party or a substantial holder. Under ASX Listing Rule 19, the definition of 'disposal' includes using an asset as collateral, and the definition of "acquire" includes enforcing collateral and taking an asset.
- 1.16 Section 208 of Chapter 2E of the Corporations Act requires a company to seek security holder approval before giving a financial benefit to a related party unless an exception applies.
- 1.17 Given J&F is a wholly-owned subsidiary of RFM and RFM is the responsible entity of RFF and hence a related party, the granting of a second ranking security over the assets of J&F for the Guarantee to the sum of A\$200 million is considered as an acquisition of a substantial asset from a related party.
- 1.18 Accordingly, the Independent Directors of the responsible entity of RFF, have commissioned Grant Thornton Corporate Finance Pty Ltd to provide an independent expert's report to assess whether the granting of the Security, the terms of the Additional Guarantee, and the terms of the Guarantee Term Extension are fair and reasonable to the Non-Associated Unitholders for the purposes of Chapter 10 of the ASX Listing Rules and Chapter 2E of the Corporations Act.

## Summary of opinion

**Grant Thornton Corporate Finance has concluded that:**

- **The granting of the Security and the terms of the First Tranche Additional Guarantee and Second Tranche Additional Guarantee (Together, the "Additional Guarantee") are FAIR AND REASONABLE to the Non-Associated Unitholders.**
- **The granting of the First Tranche Additional Guarantee is FAIR AND REASONABLE to the Non-Associated Unitholders in the event that the Second Tranche Additional Guarantee is not approved.**

- The granting of the Extended Guarantee is **FAIR AND REASONABLE** to the Non-Associated Unitholders.

## Fairness Assessment

### The Additional Guarantee

- 1.19 Under the legal agreements and as set out in the Notice of Meeting and Explanatory Memorandum, the Guarantee, which includes the Additional Guarantee, can only be called as a result of the following steps:
- In case of default by JBS or J&F under the Cash Advance Facility, the senior financiers would exercise their first ranking security over all assets of J&F.
  - The Secured Assets would be progressively sold with all proceeds of the sale applied strictly and directly to repay outstanding J&F borrowings.
  - To the extent that the proceeds from the enforcement and sale of all J&F assets are insufficient to fully discharge the amounts owing to the Financiers under the Cash Advance Facility, then the Guarantee is called upon.
- 1.20 Any payment made by RFF under the Guarantee would be applied directly to satisfy that residual shortfall for the Financiers after all the Secured Assets have been realised.
- 1.21 A call on the Guarantee is, by definition, evidence that the aggregate realised value of J&F assets has been fully exhausted and remains insufficient to repay senior secured debt in full. In these circumstances, there would be no remaining operating assets, livestock inventory or surplus cash within J&F. There is no plausible pathway through which value could flow to RFF if the Guarantee is called and there are no circumstances under which RFF could acquire assets from J&F as a result of the second ranking security. The Guarantee functions solely as a loss absorption mechanism for the benefit of the Financiers in extreme downside scenarios and there is no value in the second ranking security.
- 1.22 Accordingly, by providing the Guarantee, RFF is taking equity risk in J&F and effectively the Guarantee Fee represents the return received by RFF for taking this risk. In forming our opinion on the fairness of granting the Guarantee to J&F, we have compared annual return from the Guarantee Fee payable to RFF by J&F, which are on a sliding scale<sup>11</sup> between c. 9.8% and 11.3%<sup>12</sup>, with the cost of equity of J&F (refer to section 9 for detailed calculations).
- 1.23 In our assessment, we have also considered the following:
- For J&F to default, given its primary source of income is from payments from JBS, the most likely cause of the default would be as a result of JBS defaulting. The Lease Guarantors will continue to provide a guarantee under the Side Deed for the performance of JBS. Baybrick Pty Ltd reported net assets of c. A\$3.5 billion as at 31 December 2024. However, despite the above, should the Financiers call upon the Additional Guarantee, RFF will be required to provide the Guarantee to the Financiers and then

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<sup>11</sup> Based on the facility balance

<sup>12</sup> For the avoidance of doubt, the Guarantee Fee does not include any insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFF that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee).

exercise their rights pertaining to the Secured Assets to recoup the amount of the Guarantee paid to Financiers.

- J&F's main asset is cattle, which typically gain weight whilst in the feedlot and are sold on a per kg basis. As such, it would require an adverse movement in the cattle price from time of purchase to sale for a shortfall to be realised after the Financiers have sold the Secured Assets.

1.24 Based on our analysis, we conclude that the Guarantee appears to be on arm's length basis and no financial benefits is provided to the related parties.

### The Extended Guarantee

1.25 As disclosed in the NOM and EM, RFM, as responsible entity of RFF, is also seeking approval from the Unitholders of Rural Funds Trust and RF Active to extend the term of the Additional Guarantee on largely the same basis. If the Guarantee Term Extension is approved, the Extended Guarantee will occur largely on the same commercial terms as the Additional Guarantee which we have summarised below:

- The term will be up to 10 years to 2038, compared to 2028 under the Additional Guarantee.
- The Extended Guarantee can only be called upon by the financiers on the same basis as the Additional Guarantee. Further detail on these steps are discussed in paragraph 9.2.
- Under the Guarantee Term Extension, the Guarantee Fee will be calculated in the same way as the Additional Guarantee on a sliding rate, depending on the balance of the Extended Guarantee, in line with the Additional Guarantee. This fee does not include any interest on cash held as collateral, insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFM that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee)<sup>13</sup>.
- The guarantee provided during the term extension will have second ranking security behind the Financiers on the Secured Assets of J&F.

1.26 In Section 9, we have concluded that the Additional Guarantee is fair, hence by extension the Guarantee Term Extension should also be fair on the basis that the commercial terms are largely equivalent from a materiality perspective. However, we note market conditions may change significantly over this extended term compared with the circumstances considered in our fairness opinion for the Additional Guarantee which has a residual term only to 2028. Specifically, over the ten-year extension under the Guarantee Term Extension, a significant uplift to the risk-free rate or market risk premium may cause for a material change in the cost of equity which we have used to benchmark the Guarantee Fee. Hence, in forming our opinion, we have compared the forecast market returns on equity investments in the industry expected over the Guarantee Term Extension with our assessed cost of equity under the Additional Guarantee, and the Guarantee Fee (which will cover up to 2038 if the Guarantee Term Extension is approved). Further detail on our analysis is discussed in Section 10.

1.27 Based on our analysis, we conclude that the Extended Guarantee appears to be on arm's length basis and no financial benefits is provided to the related parties.

<sup>13</sup> The maximum RFM Management Fee is 1.05%, assuming the Cash Advance Facility is fully drawn. The minimum RFM Management Fee is 0.91% of the Guarantee amount.

## Reasonableness Assessment

- 1.28 ASIC RG111 establishes that an offer is reasonable if it is fair. Given that our assessment of the granting of the Security is fair it is also reasonable. Notwithstanding this, we have considered the following advantages, disadvantages and other factors in relation to the Proposed Transaction. We note that in our Reasonableness Assessment, we have only considered the increase to the Finance Facilities and associated corresponding increase to the Current Guarantee, as well as any changes to the terms of these facilities. We have not considered the existing finance facilities or Current Guarantee as they are already in place.

## Advantages

### Increased income to RFF

- 1.29 The Guarantee Fee will be levied upon a potentially higher amount of debt drawn as the Finance Facilities will be expanded from A\$440.0 million to A\$533.3 million with further headroom available to increase it to A\$666.7 million if required (subject to approval by the Financiers and RFF). Accordingly, this will increase RFF's income from the Guarantee Fee, as the fee will be levied on a higher Guarantee. While the increase in Guarantee does not require a transfer of cash, the higher Guarantee will increase the contingent liability on RFF's balance sheet and RFF's LVR.

### Continued involvement of Australia's largest lot feeder and cattle processor

- 1.30 JBS will continue to be the lessee of the Feedlots and operate and manage the feedlots as usual. JBS is Australia's largest lot feeder and cattle processor with lease payments guaranteed by JBS' parent company, Baybrick, which is a wholly-owned subsidiary of JBS N.V., the world's largest beef producer, leather processor, chicken producer and second largest pork and lamb producer (refer to Section 7). We note that Baybrick, Landco—a wholly-owned subsidiary of Baybrick—and JBS guarantee the obligations of JBS under the agreements, including the lease payments to RFF under the sale and leaseback arrangements for the Feedlots. While the Proposed Transaction will increase RFF's exposure to Baybrick, in CY24, Baybrick had net assets of c. A\$3.5 billion. Accordingly, the financial position of Baybrick appears robust.

### Increased exposure to growing international demand for beef

- 1.31 The higher Guarantee will allow J&F to increase its borrowings to purchase more cattle, grain, and lamb for sale to JBS at a time when international demand for beef is growing due to rising incomes in the developing world and Asia. Furthermore, global demand for beef and lamb is expected to outstrip global supply in the near term.

## Disadvantages

### Increased counterparty risk

- 1.32 The Feedlots are leased to JBS, and income from the Guarantee is derived from the Cattle Agreements, Grain Agreements, and Lamb Agreements between J&F and JBS. There is a risk that JBS or its parent company defaults on its financial or operational lease obligations to RFF. Any financial default would reduce RFF's revenue, its ability to meet its debt obligations and pay unitholder distributions. An operational default by JBS may require RFF to meet operating obligations until a new lessee is contracted.

Furthermore, new purchasers would need to be identified and agreements entered into for the sale of the cattle from the Feedlots. However, we note that RFF already has a significant exposure to JBS through the existing arrangements and therefore the Proposed Transaction represents only an increased exposure.

- 1.33 In 2017, JBS' owners were convicted of bribery and other similar charges in relation to activities associated with the Brazilian government. It has been reported that JBS' holding company and its founders are required to pay A\$5.4 billion in fines over a period of 25 years. The scandals and resulting fines could potentially have an impact on JBS's reputation, business, financial condition and prospects. A default by JBS may require RFF to meet operating obligations until a new lessee is contracted. In the case of default by JBS, the health or quality of the feedlots may be adversely affected. We note that the credit rating of JBS under both Fitch Ratings and Moody's ratings have remained at investment grade on the back of improved corporate governance. Currently, JBS N.V.'s leverage ended at 2.39x as at 30 September 2025, which is in line with the company's long term target. Accordingly, we note JBS N.V is still relatively highly leveraged and its financial performance should be closely monitored from time to time in order to determine its financial strength.

#### Early termination of Guarantee and/or Finance Facilities and interest rate risk

- 1.34 The Guarantee has a term of 10 years from commencement in August 2018. Under the arrangements between RFF and JBS, JBS has a call option over the Feedlots allowing it to reacquire the Feedlots from RFF between year six and year ten, upon which point in time RFF may elect to terminate the Guarantee. If JBS exercises the Call Option, the arrangements between JBS, J&F and RFF would cease resulting in a shorter investment timeframe for RFF.
- 1.35 J&F currently funds the operations of the Feedlots (primarily the acquisition of cattle) and Grain Sites using the Finance Facilities, which are due to expire in August 2026. While it is likely that the Finance Facilities will be renewed, there is no guarantee that they will be available for the remaining term of the Guarantee. If funding is not available, J&F has the right to terminate the Cattle Agreements and Grain Agreements.
- 1.36 Furthermore, the terms of the Finance Facilities, including the interest charged to J&F could change upon renewal, although the interest rate risk is borne by JBS under the Cattle Agreements and Grain Agreements with J&F.

#### Mortalities and insurance costs

- 1.37 All Feedlots are stocked with cattle that are owned by J&F with JBS managing the cattle operations. JBS bears responsibility of mortalities, up to a certain level, and beyond this RFF mitigates the mortality risk through insurance. While RFF intends to maintain insurance over the period of the lease, there may be certain instances and circumstances (such as specific diseases) that may not be covered by the insurance policy. In addition, the cost of insurance may vary over the life of the lease, with any increase/decrease to the cost of the policy resulting in a corresponding decrease/increase in the Guarantee Fee paid to RFF.

#### Other factors

##### The implications if the higher Guarantee is not approved

- 1.38 The sale and leaseback of the Feedlots executed in July 2018 include the Call Option held by JBS to buy back the Feedlots, and a put option held by RFF to sell the feedlots to JBS. Both options can be exercised

at year 10 for the original purchase price indexed at CPI<sup>14</sup>. However, the sale agreement includes a provision that the Call Option held by JBS can be exercised from year 6, although JBS will incur a break fee of c. A\$2 million if exercised before year 10.

- 1.39 If the higher Guarantee is not approved, J&F will not be able to increase its debt facility limit and accordingly J&F will not be able to increase the value of the cattle in the Feedlots to meet JBS' requirements. As such, JBS may look for other funding sources to meet its requirements or potentially, seek to exercise their call option, and either look for a replacement for J&F or manage the facility themselves.
- 1.40 Under this scenario, RFF would be forced to sell the Feedlots and Grain Sites back to JBS, resulting in a loss of income.

#### Independent Directors' recommendations and intentions

- 1.41 In the absence of a superior proposal and subject to the Independent Expert's opinion that the Additional Guarantee and Extended Guarantee is fair and reasonable, the Independent Directors unanimously recommend that all Non-Associated Unitholders vote for the Additional Guarantee and Extended Guarantee.

#### Reasonableness conclusion

- 1.42 Based on the qualitative factors identified above, it is our opinion that the Additional Guarantee, and by extension the Extended Guarantee, is **REASONABLE** to the Non-Associated Unitholders.

#### Overall conclusion

- 1.43 After considering the abovementioned qualitative factors, Grant Thornton Corporate Finance has concluded that the Additional Guarantee, and by extension the Extended Guarantee, is **FAIR AND REASONABLE** to the Non-Associated Unitholders.
- 1.44 The granting of the First Tranche Additional Guarantee is **FAIR AND REASONABLE** to the Non-Associated Unitholders in the event that the Second Tranche Additional Guarantee is not approved.

#### Other matters

- 1.45 Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.
- 1.46 The decision of whether or not to vote in favour of the Additional Guarantee is a matter for each Non-Associated Unitholder to decide based on their own views of the Additional Guarantee, the value of the Feedlots, the value of the Grain Sites, the value of RFF and expectations about future market conditions, RFF's performance, risk profile and investment strategy. If Non-Associated Unitholders are in doubt about the action they should take in relation to the Guarantee, they should seek their own professional advice.

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<sup>14</sup> Consumer Price Index

Yours faithfully  
GRANT THORNTON CORPORATE FINANCE PTY LTD



ANDREA DE CIAN  
Director



MARK BUTTERFIELD  
Director

## Financial Services Guide

### **Grant Thornton Corporate Finance Pty Ltd**

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 26, 225 George Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by RFF to provide general financial product advice in the form of an independent expert's report in relation to the Guarantee. This report is included in the Notice of Meeting to the Non-Associated Unitholders of RFF.

### **Financial Services Guide**

This Financial Services Guide has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we provide, information about us, our dispute resolution process and how we are remunerated.

### **General financial product advice**

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

### **Remuneration**

When providing the Report, Grant Thornton Corporate Finance's client is RFF. Grant Thornton Corporate Finance receives its remuneration from RFF. In respect of the Report, Grant Thornton Corporate Finance will receive from RFF a fixed fee of A\$45,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

### **Independence**

Grant Thornton Corporate Finance is required to be independent of RFF in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 Independence of expert issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with RFF (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Guarantee.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Guarantee, other than the preparation of this report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Guarantee. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.*

*Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”*

### **Complaints process**

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority  
GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the Scheme should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

### **Compensation arrangements**

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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## 2. Background to the Proposed Transaction

### Brief overview of the parties involved

#### Rural Funds Management Limited

- 2.1 RFM is responsible for managing one listed fund (RFF) with A\$2.6 billion in assets under management across NSW, QLD, SA and VIC as at January 2026. RFM is headquartered in Canberra, with offices in Sydney and Queensland.
- 2.2 RFM's largest fund under management, RFF, is an ASX-listed real estate investment trust. RFF owns a c. A\$2.1<sup>15</sup> billion portfolio of diversified agricultural assets including almond and macadamia orchards, vineyards, water entitlements, cattle and cropping assets, all under lease or owner occupied.
- 2.3 RFM is the responsible entity for Rural Funds Trust, which is the party to the Sale and Leaseback of the Feedlots and relevant land contracts.

#### Baybrick Pty Limited and JBS Australia Pty Ltd

- 2.4 Baybrick is a wholly owned subsidiary of JBS N.V., a company that is dual listed on the São Paulo Stock Exchange and New York Stock Exchange. Baybrick is the parent company of 2 subsidiaries, including JBS. The group specialises in meat packing and supplying grain and pasture fed meats to customers in Australia and overseas.
- 2.5 JBS' Australian operations comprise 10 processing facilities and six feedlots covering over 10,000 hectares across Australia, as well as Australia's largest smallgoods manufacturer Primo Foods and Andrews Meat Industries, a high-value meat cutting and case-ready production facility. The company supplies beef, pork, lamb and mutton and is the country's largest meat and food processing company.
- 2.6 JBS is the entity responsible for the ongoing management of the Feedlots.
- 2.7 The Lease Guarantors of the lease of the feedlots are detailed as guaranteeing JBS' obligations under the transaction.

#### J&F Australia Pty Ltd

- 2.8 J&F, a party associated with RFM, supplies JBS with cattle, feed and associated services used to stock the Feedlots. RFM owns 100% of J&F, the party to the cattle and grain agreements with JBS.
- 2.9 J&F has entered into the Finance Facilities used to stock the Feedlots and has entered into the Guarantee with RFF. Following the Proposed Transaction, the Guarantee will increase from A\$132 million to A\$160 million, with headroom to increase it further to A\$200 million.

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<sup>15</sup> Includes other assets such as unleased water, and plant and equipment.

## Overview of the sale and leaseback agreement

2.10 The Feedlots incorporate a Sale and Leaseback Agreement between RFF and JBS, outlined as follows:

- RFF acquired five feedlots from JBS for \$52.7 million (inclusive of stamp duty, excluding GST)
- RFF leased the feedlots back to JBS. The Sale and Leaseback arrangement comprises the Contracts of Sale, Warranty Deed, Lease Agreements, Water Rights Call Option Deeds (Prime City and Riverina) and Financial Agreements.
- The following terms apply to the Sale and Leaseback arrangement:
  - Lease term is approximately 10 years from commencement date;
  - Rent is calculated on the CPI and capital expenditure adjusted property capital base with monthly advancements;
  - The capital base is indexed according to CPI annually; and
  - A cash deposit amounting to six months' rent is payable to RFF as security.
- The Warranty Deed outlines vendor warranties pertaining to JBS and Baybrick, including appropriateness of information disclosed to RFF and RFT.
- The Water Rights Call Option Deeds, pertaining to Riverina and Prime City feedlots, whereby JBS granted call options to RFF to acquire the water rights to the respective feedlots, commenced on the same day as the associated lease.
- JBS is responsible for the management of the feedlots (the terms of this are dealt with via the Cattle Agreements).
- A put and call option will link the Sale and Leaseback with the Cattle Agreements. Should the Cattle Agreements be terminated for any reason, RFF has the right to sell and JBS has the right to buy the Feedlots, and associated rights and licences, back at the CPI and capital expenditure adjusted capital base. JBS may exercise the call option 60 months after commencement of the lease. If the Cattle Agreements are terminated a break fee of \$2 million is payable to RFF reducing to zero from year 6 to year 10.

2.11 Below is a summary of the five acquired Feedlots:

Feedlot	Location	Facilities	Capacity (head)	Other notes
Beef City	Near Toowoomba, SE Queensland	Processing plant and feedlot	Feedlot - 26,500 Processing <sup>16</sup> – 1,092 per day	~800 hectare feedlot. Specialised grain fed processing facility.
Caroona	Near Quirindi, Liverpool Plains (NSW)	Feedlot	Feedlot - 23,500	~1,390 hectare site - irrigated and dry land farming, supplies feed into on-site storages. Feeder cattle sourced throughout central New South Wales.

<sup>16</sup> The processing plant at Beef City and Riverina Beef are not part of the Feedlots transaction.

Mungindi	Near Mungindi, Western Darling Downs(QLD)	Feedlot	Feedlot - 12,000	~400 hectare feedlot.
Prime City	Near Griffith in the Riverina.	Feedlot	Feedlot - 35,000	~4,000 hectare feedlot and grain processing facility with three steam flaking mills and 24-hour steeping capacity. Supplies all roughage required by the feedlot water supply and large on-site water storage
Riverina Beef	Near Yanco, New South Wales.	Processing plant and feedlot	Feedlot - 53,000 Processing <sup>17</sup> - 600 per day	~2,000 hectare property with cattle sourced throughout SA. The site includes fertile farming land with irrigation roughages

Source: RFM Management

## Cattle Agreements

2.12 The following agreements underpin the Sale and Leaseback agreement:

- Cattle Purchase and Sale Agreement; and
- The Cattle Management Services and Feeding Agreement.

2.13 The above Cattle Agreements are linked interdependently both to one another and the Sale and Leaseback agreements. The CMSFA ensures that the cattle purchased under the CPSA can be fed and grown until the subsequent cattle sale, and the cattle will be grown on the feedlots leased by JBS under the Sale and Leaseback agreement.

## Cattle Purchase & Sale Agreement

### Terms of the agreement

2.14 The CPSA details the agency agreement between J&F and JBS, whereby JBS is proposed to both source and sell cattle on J&F's behalf.

2.15 The CPSA is structured as follows:

- The two parties are JBS and J&F.
- JBS acts as agent to purchase cattle on J&F's behalf in order to populate the Feedlots. Once the cattle is ready to be sold on, JBS either purchases the cattle from J&F or arranges for their sale to a third party.
- The cattle in the feedlots is owned by J&F. J&F and its Financiers have registered a PPSA interest in all J&F Cattle. This includes J&F Cattle held on the Feedlots and any J&F Cattle on alternative sites agreed between J&F and JBS.
- JBS is responsible for feedlot and cattle management, including refusing to accept cattle deliveries exhibiting symptoms of disease or poor health.

<sup>17</sup> The processing plant at Beef City and Riverina Beef are not part of the Feedlots transaction.

- J&F is entitled to access and inspect the Feedlots, as well as test and observe treatment of cattle.
- Minimum headcount of J&F owned, JBS managed, cattle is to be 100,000 at any given point in time, although JBS is restricted to a maximum purchase of 180,000. JBS is also required to provide a fortnightly forecast of all proposed purchases in the upcoming two weeks. Exceeding this maximum purchased headcount will not constitute a default, instead J&F and JBS will discuss how to rectify this and mitigate going forward.
- JBS purchases the finished cattle from J&F under an agreed cost plus a margin arrangement.
- A monthly true up adjustment is drawn up to compare actual costs incurred by JBS against an expected return on equity by J&F. Should the return on equity exceed the actual costs, JBS will pay this difference to J&F. Should the actual costs exceed the return on equity, J&F will issue a credit note to JBS.
- J&F is responsible for all mortalities exceeding 5% of cattle, with the exception of devastating causes (such as an epidemic) outside either parties control, in which case J&F will bear the cost of mortalities up to 15% of all cattle.
- The Cattle Purchase and Sale Agreement term is 10 years from commencement.
- The agreement may be terminated by J&F with 120 days' notice in the event of bank facility termination by the Financiers. J&F will be required to pay JBS a penalty of \$500,000 (net of GST) in the event that the termination is due to a deterioration in J&F's credit rating or any other reason within J&F's reasonable control.
- Should the CPSA terminate, the CMSFA will terminate simultaneously.

## Cattle Management Services and Feeding Agreement

### Terms of the agreement

- 2.16 The CMSFA is between JBS and J&F, whereby JBS is responsible for managing the cattle.
- The lease term is 10 years unless it is terminated earlier by either party.
  - JBS is responsible for all of the responsibilities involved in running the Feedlots and caring for the cattle, including the following:
    - Compliance with all appropriate laws, including environmental and employment;
    - Maintaining feedlot accreditation with the NFAS for all of the Feedlots;
    - Paying any applicable government levies in respect of the Feedlots and J&F Cattle;
    - Retaining detailed cattle records, including tagging cattle with NLIS accredited ear tags;
    - Providing and filing returns in relation to the J&F Cattle on the Feedlots, as required, to any government agency;

- Discretion of reasonable disposal of non-performing cattle to third parties and report this to J&F.
- J&F retains title to all cattle in the Feedlots under the CPSA, and is entitled to register this pursuant to the PPSA.
- J&F has the right to access the feedlots in which J&F Cattle are held to inspect the feedlots and the cattle.
- If J&F terminates the agreement without cause, it will be liable to pay JBS \$2 million (GST exclusive) as damages for early termination.

#### Costs to J&F

2.17 J&F pays JBS on a weekly basis for managing the Feedlots. The charges to be paid by J&F to JBS in relation to growing the cattle under the CMSFA are calculated based on the following:

- Administration and yardage cost per head of cattle at agreed rates; and
- Induction, processing, medicine and feed at cost.

### Grain Agreements

2.18 The Grain Agreements consist of:

- Grain Purchase and Sale Agreement; and
- The Grain Management Services Agreement.

2.19 The above Grain Agreements are linked interdependently to one another. The GMSA ensures that the grain purchased under the GPSA will be sold and delivered to JBS Pork sites before being mixed into the feed ration for JBS Pork's piggery sites and other feed products. JBS Pork is responsible for the receipt, storage and handling of the grain purchased by J&F.

### Grain Purchase & Sale Agreement

#### Terms of the agreement

2.20 The GPSA details the agency agreement between J&F and JBS, whereby JBS is proposed to both source and sell grain on J&F's behalf using JBS Pork as its agent.

2.21 The GPSA is structured as follows:

- The two parties are JBS Pork and J&F.
- JBS Pork acts as agent to periodically purchase grain on J&F's behalf. Subsequently, J&F is to periodically sell the finished grain to JBS Pork.

- The grain in the Grain Sites are owned by J&F. J&F and its Financiers have registered a PPSA interest in all J&F Grain. This includes J&F Grain held on the Grain Sites and any J&F Grain on alternative sites agreed between J&F and JBS Pork.
- J&F is entitled to access and inspect the Grain Sites, as well as test and observe the grain.
- The maximum amount of J&F Grain to be purchased by J&F periodically is 125,000 tonnes. This maximum will be reviewed each year upon request to consider a change in the maximum amount of grain. JBS Pork is also required to provide a fortnightly forecast of all proposed purchases in the upcoming two weeks. Exceeding this maximum amount purchased will not constitute a default, instead J&F and JBS Pork will discuss how to rectify this and mitigate going forward.
- JBS Pork purchases the finished grain from J&F under an agreed cost plus a margin arrangement.
- J&F is responsible for any grain losses, with the exceptions of the obligations of JBS Pork under the GMSA. Neither party will be held liable for devastating causes (such as an epidemic) outside either parties' control, in which case both parties will use reasonable efforts to minimise impact on the other party.
- The Grain Purchase and Sale Agreement term will continue until 18 August 2028.
- The agreement may be terminated by J&F with 120 days' notice in the event of bank facility termination by the Financiers. J&F will be required to pay JBS a penalty of \$50,000 (net of GST) in the event that the termination is due to a deterioration in J&F's credit rating or any other reason within J&F's reasonable control.
- Should the GPSA terminate, the GMSA will terminate simultaneously.

## Grain Management Services Agreement

### Terms of the agreement

2.22 The GMSA is between JBS Pork and J&F, whereby JBS Pork will be responsible for managing the cattle.

- The lease term will continue in force until 18 August 2028 unless it is terminated earlier by either party.
- JBS Pork is responsible for all of the responsibilities involved in the receipt storage, and handling of the J&F Grain, including the following:
  - Compliance with all appropriate laws, including environmental and employment;
  - Maintain a high standard of hygiene at the Grain Sites in accordance to appropriate food safety laws.
  - preserve and safeguard the J&F Grain against damage, destruction, deterioration, infestation, loss, theft, or unauthorised admixture with any other grade or type of grain, commodity or substance.
  - Paying any applicable government levies in respect of the Grain Sites and J&F Grain;

- Providing and filing returns in relation to the J&F Grain and the Grain Sites, as required, to any government agency;
- Discretion of reasonable disposal and salvage of J&F Grain that deteriorates while in the custody of JBS Pork.
- J&F will retain title to all grain in the Grain Sites under the GPSA, and is entitled to register this pursuant to the PPSA.
- J&F will have the right to access the Grain Sites in which J&F Grain are held to inspect the grain.
- If J&F terminates the agreement without cause, it will be liable to pay JBS Pork A\$200,000 (GST exclusive) as damages for early termination.

### Costs to J&F

- 2.23 J&F pays JBS Pork on a weekly basis for managing the Grain Sites. The charges to be paid by J&F to JBS Pork include all costs and expenses of supply or performing services in regards to the Grain Sites such as labour, customary industry insurance, and other expenses.

### Lamb Agreements

- 2.24 As part of the Additional Guarantee<sup>18</sup>, JBS has requested J&F to supply lambs as part of the JBS Arrangements, subject to Non-Associated Unitholder approval. However, Management have noted the costs associated will initially represent less than 5% of the overall financial arrangement. As at the date of this report, the Lamb Agreements are early in the drafting process and the agreements have not been reviewed or approved by JBS. Notwithstanding the above, Management have advised that the Lamb agreements will be drafted in line with the existing Cattle Agreements and consist of two separate agreements including 1) LPSA, and 2) The LMSFA.
- 2.25 Consistent with the existing Cattle Agreements, the Lamb Agreements will be linked interdependently to one another. The LMSFA will ensure that the lambs purchased under the LPSA can be fed and grown until the subsequent lamb sales, and the lambs will be grown on the feedlots leased by JBS under the Sale and Leaseback agreements.

### Side Deed

- 2.26 The Side Deed summarises the interlinked agreements pertaining to the Feedlots and to provide for circumstances that will arise upon termination of the contracts. It details the following agreements between JBS, RFM as responsible entity for RFT, J&F (post-novation), and Baybrick and Landco. The entities JBS, Landco and Baybrick are also referred to as the “Lease Guarantors” and will guarantee the lease obligations of JBS. We note that the Side Deed is expected to be amended to accommodate the Lamb Agreements and associated feedlots. However, as at the date of this report, the drafting of the Lamb Agreements is ongoing.
- 2.27 The agreements detailed in the Side Deed (collectively referred to as the “Transaction Documents”) are:

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<sup>18</sup> Lambs will be supplied on the condition there is an increase to the Guarantee, including if the First Tranche Additional Guarantee is approved. However, this does not include the Second Tranche Additional Guarantee.

- Land Contracts for the sale of the Feedlots;
- Leases entered into for the leaseback of the Feedlots;
- The Financial Agreement pertaining to the commercial terms of the Leases;
- The Cattle Agreements; and
- The Side Deed.

2.28 Key terms of the Side Deed are as follows:

- The term is aligned to the Cattle Agreements, and commenced when the Cattle Agreements commenced and terminates on the termination of the Cattle Agreements;
- The Side deed takes precedence over the Transaction Documents;
- If any of the Land Contracts are not completed and/or the Leases are not entered into within 12 months then, unless otherwise agreed between the parties, that particular Land Contract and/or the Lease will not proceed, however, it will have no effect on the remainder of the Transaction Documents. Should the parties be unable to bring the Land Contracts to completion, the relevant owner of the property will retain title and RFM will have no further rights or obligations thereon.
- The termination of the Cattle Agreements will, unless negotiated otherwise between the parties, terminate simultaneously for all of the Leases, any Land Contract not yet completed and no further purchases of cattle are to occur and J&F have the right to sell any cattle not sold within 120 days.
- Should the assets of Baybrick (as guarantor) change materially, JBS must replace this with an entity satisfactory to all parties.
- The Lease Guarantors have irrevocably and unconditionally Guaranteed the performance of JBS' obligations to J&F under the Transaction Documents.
- Baybrick has indemnified J&F against any loss or damage incurred by J&F as a result of JBS or Baybrick not performing their obligations under the Transaction Documents.

## First Tranche Additional Guarantee Agreement

2.29 The agreement pertains to the following parties:

- J&F; and
- RFM as trustee and responsible entity for RFT.

2.30 J&F has arranged the Finance Facilities with the Financiers:

- A\$373.3 million working capital loan (inclusive of a A\$5 million overdraft facility);
- A\$160.0 million cash advance facility.

2.31 As part of the security for the Finance Facilities, RFF will provide a Bank Guarantee to the Financiers. In exchange for the Bank Guarantee, RFF will enter into the Guarantee with J&F. The key terms of the Guarantee are as follows:

- A 10 year term (the expectation is that the Finance Facilities will extend throughout the Cattle Agreements' 10 year duration);
- A sliding fee<sup>19</sup> will be payable to RFF by J&F at an agreed rate of between c. 9.8% and 11.3%<sup>20</sup>.
- RFF will hold second ranking security over J&F assets behind the Financiers; and
- J&F is required to maintain adequate, comprehensive insurance over the livestock throughout the agreement term. This includes J&F bearing the associated costs of the insurance.

#### Effect of the Additional Guarantee

2.32 If the Proposed Transaction is approved, then, subject to Non-Associated Unitholder approval, the Current Guarantee is expected to be immediately increased to A\$160 million, with potential to increase up to A\$200 million.

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<sup>19</sup> Based on the facility balance

<sup>20</sup> For the avoidance of doubt, the Guarantee Fee does not include any insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFM that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee).

### 3. Purpose and scope of the report

#### Purpose

##### Chapter 10 of the ASX Listing Rules

Chapter 10 of the ASX Listing Rules requires the approval from the non-associated shareholders of a company if the company proposes to acquire or dispose of a substantial asset from a related party or substantial holder.

ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5.0% or more of the equity interest of the entity as set out in the latest financial statement provided to the ASX.

Under ASX Listing Rule 19, the definition of 'disposal' includes using an asset as collateral, and the definition of "acquire" includes enforcing collateral and taking an asset. It is noted that J&F is a wholly-owned subsidiary of RFM which is the responsible entity for RFF, and therefore a related party pursuant to ASX Listing Rule 19. Whilst the Security is second ranking to the Financiers, subject to the Financiers providing consent, RFF may exercise its right in relation to the Additional Guarantee and potentially effect the sale of the Secured Assets.

As a result, the granting of the Security under the Additional Guarantee is considered an acquisition of material assets to a related party. Whilst the Security is second ranking to the Financiers, subject to the Financiers providing consent, RFF may exercise its right in relation to the Additional Guarantee and potentially effect the sale of the Secured Assets.

The Additional Guarantee is to provide security for the Cash Advance Facility. The secured amount of up to A\$200 million represents 19.1%<sup>21</sup> of the equity interests of RFF. The Additional Guarantee is therefore a "substantial asset" of RFF, given it exceeds 5% of the equity interest in RFF.

ASX Listing Rule 10.5.10 requires that the Notice of Meeting and Explanatory Memorandum be accompanied by a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated unitholders.

##### Chapter 2E of the Corporations Act

Section 208 of Chapter 2E of the Corporations Act requires a company to seek shareholder approval before giving a financial benefit to a related party unless the benefit falls within an exception provided for in section 210 of the Corporations Act.

Regulatory Guide 76 "Related party Transactions" states that it is necessary for entities to include a valuation from an independent expert with a notice of meeting for member approval under Chapter 2E of the Corporations Act where:

- The financial benefit is difficult to value.

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<sup>21</sup> Based on the net assets as at 30 June 2025 of A\$1,048.9 million.

- The transaction is significant from the point of view of the entity (see RG 76.112).
- The independent directors do not have the expertise or resources to provide independent advice to members about the value of the financial benefit.

Accordingly, the Independent Directors have requested Grant Thornton Corporate Finance to prepare an independent expert's report stating, whether in its opinion the Additional Guarantee and Extended Guarantee is fair and reasonable to the Non-Associated Unitholders under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act.

## Basis of assessment

Grant Thornton Corporate Finance has had regard to ASIC Regulatory Guide 111 *Contents of expert reports* and Regulatory Guide 76 *Related party transactions*. RG 76 largely refers to RG 111 in relation to the approach to related party transactions.

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG 111 also regulates independent expert's reports prepared for related party transactions in clauses 52 to 63.

We note that RG 111 clause 56 states the following:

*RG 111.56 Where an expert assesses whether a related party transaction is 'fair and reasonable' (whether for the purposes of Chapter 2E or ASX Listing Rule 10.1), this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information (See Regulatory Guide 76 Related party transactions (RG 76) at RG 76.106–RG 76.111 for further details).*

Accordingly, in the consideration of the Additional Guarantee, the expert should undertake a separate test of the fairness and then analyse the advantages and disadvantages for the Non-Associated Unitholders.

RG 111 notes that a related party transaction is:

- Fair, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.
- Reasonable, if it is fair, or, despite not being fair, after considering other significant factors, Unitholders should vote in favour of the transaction.

We have assessed the fairness of the terms of the Additional Guarantee, the granting of the Security, in addition to the terms of the Guarantee Term Extension as detailed below:

- We have assessed the fairness of the granting of the Security by completing a comparison between the proceeds from the sale of the Secured Assets under the Security which would be provided to RFF and the value of the outstanding liability which would be owing to RFF in the event of a default.

- We have considered the terms of the Guarantee Fee.
- We have considered the terms of the Guarantee Term Extension

In considering whether the Additional Guarantee is reasonable to the Non-Associated Unitholders, we have considered a number of factors, including:

- Whether the Additional Guarantee is fair.
- The implications to the Non-Associated Unitholders if the Additional Guarantee is not approved.
- Other likely advantages and disadvantages associated with the Additional Guarantee as required by RG 111.
- Other costs and risks associated with the Additional Guarantee that could potentially affect the Non-Associated Unitholders.

## Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Additional Guarantee with reference to the ASIC Regulatory Guide 112 Independence of experts.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the increase to the Additional Guarantee other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this Report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this Report. The payment of this fee is in no way contingent upon the success or failure of the Additional Guarantee.

## Consent and other matters

Our Report is to be read in conjunction with the Notice of Meeting and Explanatory Memorandum dated on or around February 2026 in which this Report is included, and is prepared for the exclusive purpose of assisting Non-Associated Unitholders in their consideration of the Additional Guarantee. This Report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this Report in its form and content and consents to its inclusion in the Notice of Meeting and Explanatory Memorandum.

This Report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Additional Guarantee to Non-Associated Unitholders as a whole. We have not considered the potential impact of the Additional Guarantee on individual Non-Associated Unitholders. Individual Unitholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Additional Guarantee on individual Unitholders.

The decision of whether or not to approve the Additional Guarantee is a matter for each Non-Associated Unitholder based on their views of the advantages and disadvantages of the Additional Guarantee. If Non-Associated Unitholders are in doubt about the action they should take in relation to the Additional Guarantee, they should seek their own professional advice.

## Compliance with APES 225 Valuation Services

This Report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board. In accordance with APES 225 there are three types of engagements:

- A valuation engagement, which is defined as an engagement where the valuer is free to choose the valuation approaches, methods and procedures as appropriate to the circumstances. The estimate of value that results is a conclusion of value.
- A limited scope valuation engagement, which is defined as an engagement where the scope of work is limited or restricted. The estimate of value that results is a conclusion of value.
- A calculation engagement, defined as an engagement where the valuer and the engaging party agree on the valuation approaches, methods and procedures that the valuer will employ. The estimate of value that results is a calculated value.

We advise that this assignment is a Valuation Engagement as defined by that standard as follows:

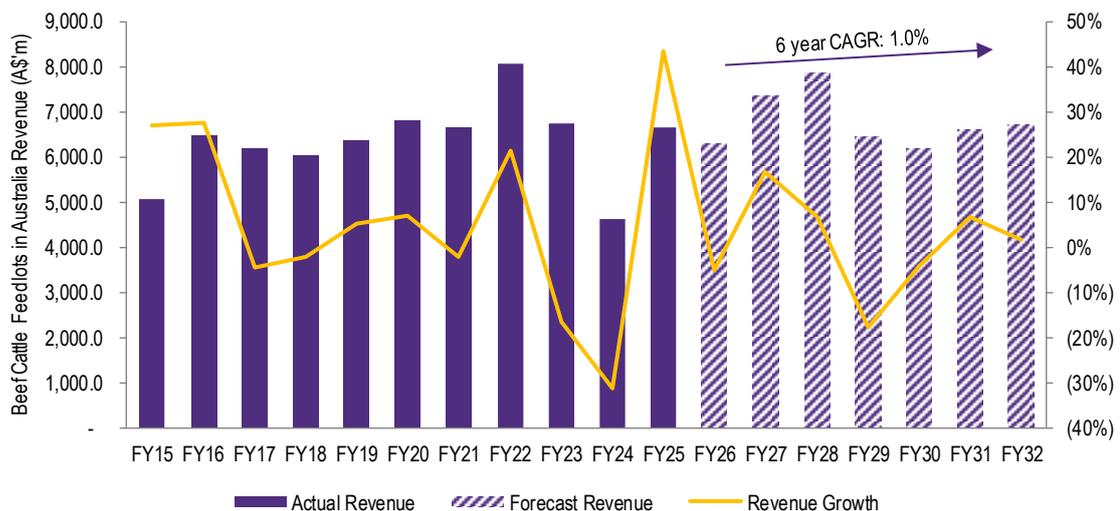
*“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.”*

## 4. Profile of the Australian feedlot industry

### Introduction

- 4.1 A cattle feedlot is a managed facility providing a grain-fed diet sufficient such that beef is produced to a consistent quality and quantity. Feedlot cattle (or feeders) are purchased from pasture farmers, raised on feedlots and then processed by domestic downstream meat processors and sold to domestic and export markets. According to ALFA, the average period cattle spend in a feedlot is between 50-120 days / 10-15% of their lifespan. Lotfeeders are the final stage of production for approximately one-third of beef cattle slaughtered in Australia. Lotfeeders purchase feeder cattle from grass-fed cattle farms for finishing before cattle are sold to abattoirs.
- 4.2 The Australian feedlot Industry is a mature, well-established sector that has historically exhibited relatively stable growth. However recently, revenue within the industry has experienced significant volatility, with industry revenue peaking at c. A\$8.1 billion in FY22 before declining to a trough of c. A\$4.6 billion in FY24 and recovering to pre-FY21 revenue levels in FY25. These fluctuations are mostly reflective of the industry's sensitivity to exogenous operating conditions. In particular, in FY22, the industry benefited from record utilisation of feedlots as cattle herds successfully recovered since the drought in 2017 to 2019, further amplified by supply constraints during the Covid 19 pandemic which kept cattle prices elevated. Conversely, in FY24, increasing cattle turn-off rates due to increased supply from prior years and BOM predictions of drier El Niño conditions depressed cattle prices during the year. Going forward, revenue is expected to increase in the short term as US farmers continue to restore their herds after a prolonged drought, before normalising at a steady revenue in line with FY25 and historical revenues, growing at a 6 year CAGR of c. 1.0% to FY32.

**Figure 2 - Beef Cattle Feedlot industry in Australia**



Source: IBISWorld, GTCF analysis

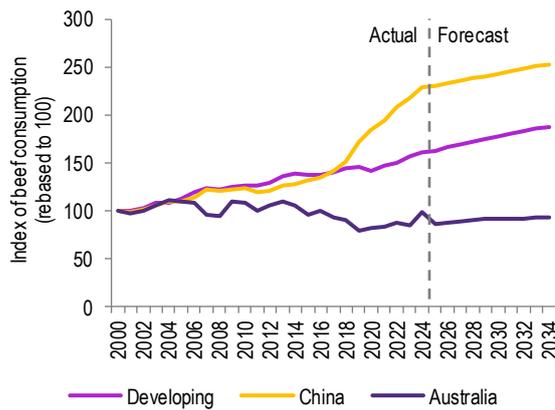
### Market drivers

#### Demand for beef

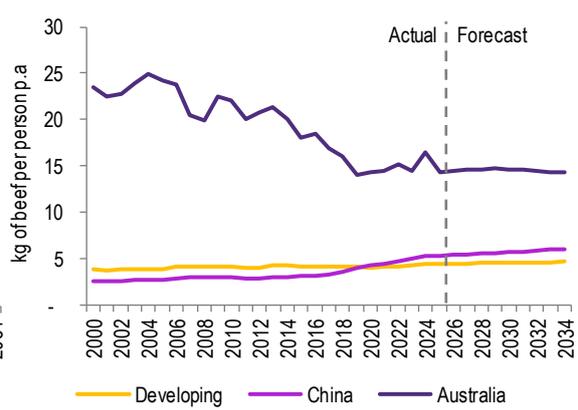
- 4.3 The demand for Australian grain-fed beef is driven by the overall demand for beef both domestically and abroad. In Australia, approximately two-thirds of beef production is exported, and one-third is consumed

domestically. The cattle feedlot sector is an important supplier, accounting for over one third of Australia's total beef supply with c. 75% of production being exported in 2025<sup>22</sup>. Recently, the domestic market demand for grain-fed beef has declined, mostly driven by a decline in consumption per capita due to the perceived health benefits of chicken over beef. Furthermore, the intensification of chicken production since the 1970s has meant that price inflation for beef has far outstripped chicken. Conversely, consumption in developing nations (and China), is growing strongly as uplifts in incomes per capita lead to increased consumption (albeit starting from a lower base).

**Figure 3 - Beef consumption (Index: 2000 = 100)**



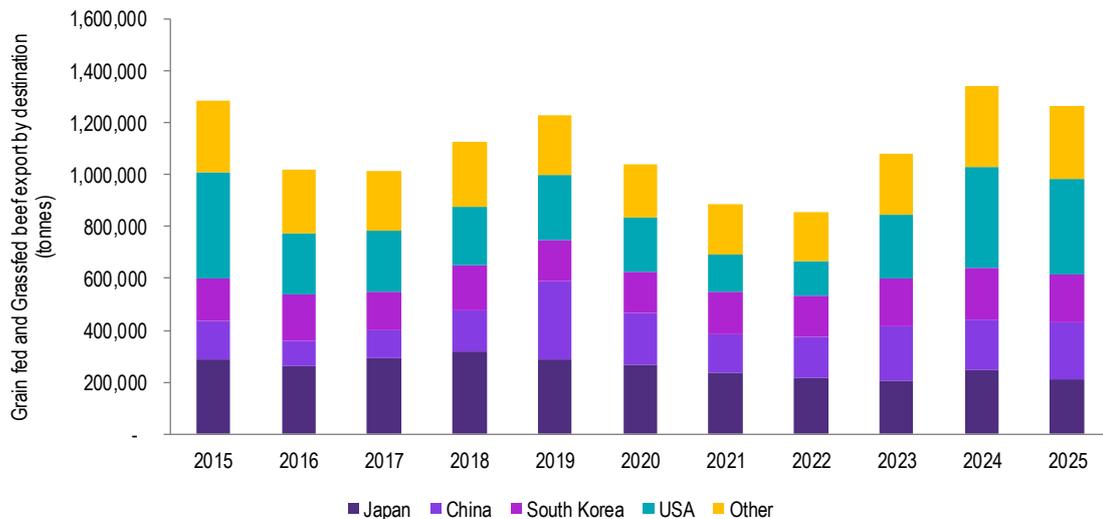
**Figure 4 - Beef consumption per capita**



Source: OECD-FAO Agricultural Outlook 2025-2034, GTCF analysis.

4.4 Australian beef exports notably fell between 2020 and 2022, mostly driven by processing & logistic constraints during the Covid 19 pandemic in addition to prolonged drought between 2017 and 2019 which further tightened supply. Furthermore, market frictions with China resulted in multiple import quota limits in 2020. These restrictions were progressively removed starting in 2023. As rain levels normalised, and political sanctions eased, Australian beef exports have recovered to pre-pandemic levels to c. 1.3 billion tonnes in 2025.

**Figure 5 - Australian beef exports by country of destination**



Source: Meat and Livestock Australia, Management, GTCF analysis

<sup>22</sup> IBISWorld – Beef Cattle Feedlots in Australia, August 2025

## Weather

- 4.5 The industry can be heavily impacted by unusually wet or dry seasons.
- 4.6 Extremely dry weather reduces pastures, making it more difficult to feed and grow cattle. Demand for feedlots increases as pastures deteriorate under dry conditions because the cattle need to be fed out to sell on (cattle are difficult to sell on in a poor condition).
- 4.7 If the land is too dry for cows to graze on, supply of cattle to feedlots increases. This increased supply means that feeder cattle<sup>23</sup> prices reduce for lotfeeders. However, prolonged periods of very dry weather makes it difficult to breed and raise cattle to the point where grass-fed cattle farmers are unable to sell them to feedlots which can actually increase prices of cattle (as availability reduces) in the long term.
- 4.8 Particularly dry conditions also reduce grain yield, and hence the availability of grain feed. This reduces the supply of grain which pushes prices upwards, not only in terms of the purchase of the feed, but also the associated freight.
- 4.9 During more favourable weather conditions, irrigated land means crops can be harvested and therefore reverse the grain feed price/supply issue. This weather also improves pasture conditions. Demand for feedlots during these periods reduces as farmers do not need to use feedlots to grow their cattle. As farmers are growing cattle on pastures, the supply of cattle to feedlots reduces, increasing feeder cattle prices.

## Supply of feeder cattle

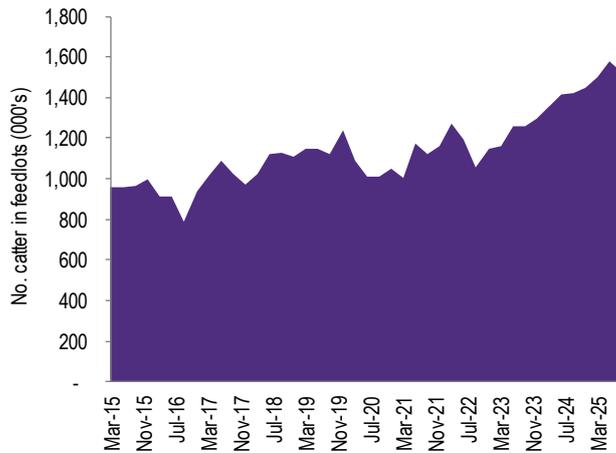
- 4.10 The national herd rebuild following the 2017-2019 drought resulted in a reduction of feeder steer in 2020, however this was short-lived as 2021 feeder steer throughput returned to 2018 and 2019 levels, highlighting the consistency of feedlots to secure cattle. As of recent, the number of cattle in feedlots has continued to grow, exhibiting a 5 year CAGR of c. 9.6% ending in September 2025. This highlights the industry's important position within beef production to ensure delivery of consistent supply. Furthermore, capacity lifts have enabled more cattle to be housed on feedlots, with a record c. 1.7 million number of cattle in accredited feedlots, or c. 3% up from last quarter<sup>24</sup>. The following charts depict the number of cattle in feedlots and the geographical concentration of feedlots.

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<sup>23</sup> Feeder cattle are cattle that are mature enough to be placed in a feedlot where they are fattened prior to slaughter.

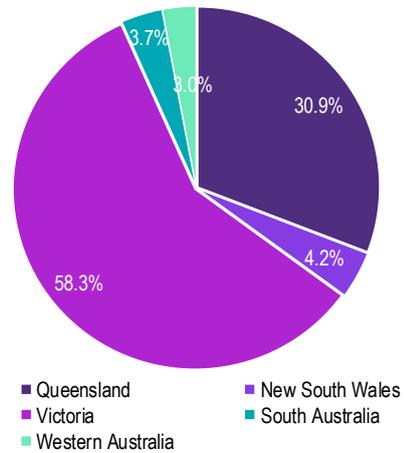
<sup>24</sup> MLA – November 2025 Feedlot Survey.

**Figure 6 - Number of cattle in feedlots**



Source: ALFA, MLA, GTCF analysis

**Figure 7 - feedlot cattle by geography (Sep25)**

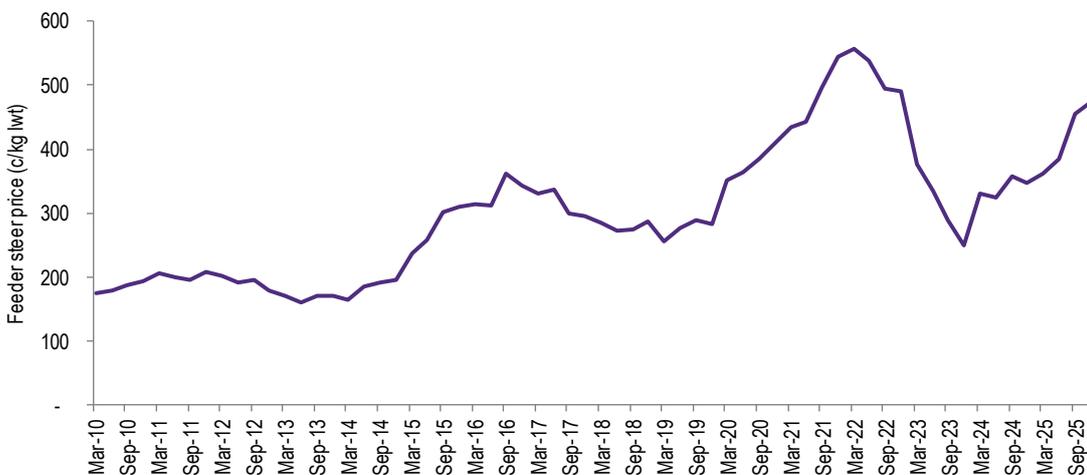


- 4.11 We note that much of the market’s geographical location is dictated by the proximity to cattle and grain supplies to contain costs.

### Prices

- 4.12 As at December 2025, the MLA’s national feeder steer indicator trades at record levels since 2022 of c. 473 cents/kg lwt, up c. 36.5% compared to pcp. This uplift in price was mostly driven by heightened export demand. Most notably, during FY25, China materially increased its Australian beef imports as it reduced volumes of US beef imports, with exports increasing c. 35% to 39,340 tonnes between March 2025 and June 2025<sup>25</sup>. This was further supported by unfavourable weather in the US which further constrained global supply as farms focus on restoring herd headcount. Going forward, cattle prices are expected to remain steady, with potential for further growth in line with rising worldwide demand and purchasing power from developing countries. However, market volatility remains a key risk for industry participants, dependent on geopolitical tensions and regimes in addition to unpredictable rainfall.

**Figure 8 - Australia feeder steer prices**



Source: MLA, GTCF analysis.

<sup>25</sup> MLA – August 2025 Feedlot Survey.

## Outlook

- 4.13 Industry revenue growth is expected to remain low at a rate of 0.9% per annum over the next five years<sup>26</sup>, with growth expected due to continued demand from Asia and the Middle East markets. Furthermore, the Australia-United Kingdom Free Trade Agreement that entered into force on May 2023 is expected to improve export opportunities by eliminating tariffs and implementing higher quotas. Together with Australia's record high beef production in 2024 to 2025, Australian grown beef in foreign markets is expected to increase in affordability and compete favourably in worldwide markets.
- 4.14 Forecasts from the ABARES suggest an uplift in domestic cattle prices in line with elevated demand for Australian beef in the export markets and lower beef production due to a forecast lower turnoff rate as cattle producers in South Australia rebuild their herd numbers after prolonged drought. Notwithstanding the above, the national herd is expected to remain steady at 27.9 million (down 0.2% compared to pcg)<sup>27</sup>. This is supported by the mixed outlook of rainfall from the BOM, with the BOM predicting roughly equal changes for above, below, or near-average rainfall until April 2026.
- 4.15 Global beef prices are expected to increase over the coming years as rising per capita protein consumption in emerging markets is expected to offset ongoing geopolitical risks and challenging economic conditions. However, uncertainty concerning the magnitude, timing, implementation, and coverage of future geopolitical policies could materially impact the demand for Australian beef and access to global trade flows in key markets going forward.
- 4.16 Ongoing consolidation in the sector is anticipated to reduce business numbers. Margins are expected to increase as export prices remain high due to a drop in beef output from key rival producers such as the United States and continued worldwide demand. This is further supported by recent declines in key input costs such as grains.

## Key players

- 4.17 There has been a declining number of businesses in the industry in recent years as competition from larger players sees smaller family owned feedlots being pushed out of the market or acquired by larger operators, with price being the main competitive driver.
- 4.18 Notwithstanding this, the feedlot industry remains highly fragmented with the top three players accounting for c. 28.5% of industry revenue as at FY25 and are comprised of:
- JBS Australia Pty Ltd;
  - Mort & Co Ltd; and
  - Teys Australia Pty Ltd;

<sup>26</sup> IBISWorld – Beef Cattle Feedlots in Australia, August 2025

<sup>27</sup> Agricultural Commodities Report - September quarter 2025 update.

### Barriers to entry

- 4.19 Significant initial capital costs in establishing or acquiring a feedlot is the main barrier to entering the feedlot industry. Given there is no alternative use for a feedlot, access to the level of finance required to startup can be difficult.
- 4.20 Ongoing regulation under the National Feedlot Accreditation Scheme is required which is both time consuming and costly, with annual audits undertaken to ensure strict compliance with legislation involving animal welfare, environment, biosecurity, and food safety.
- 4.21 Environmental approvals are also required, as there is typically a high level of waste produced on site due to cattle feeding which can be detrimental to the surrounding area. There are also planning and development approvals to consider in a new feedlot.

## 5. Profile of RFF

### Introduction

- 5.1 RFF is an ASX-listed REIT which owns a portfolio of Australian agricultural assets that are leased to tenants, typically experienced agricultural operators and processors. RFF's investment objective is to generate a stable income stream from leasing its assets to suitable counterparts and capital growth through any appreciation in the value of those assets, but with no exposure to direct agricultural operating risk.
- 5.2 RFF is a stapled entity, comprising two entities which are isolated for tax purposes:
- *Rural Funds Trust* – this entity holds the majority of RFF assets, including its investment properties related to its almond, macadamia, vineyard, cropping and cattle operations. The income received from these assets is passive in nature with earnings taxed in the hands of the investor at their marginal tax rate.
  - *RF Active* – this entity holds assets which are considered operational in nature from a taxation perspective and are therefore taxed as a public trading trust. RF Active pays tax at the corporate tax rate (i.e. 30%) on the profit it generates from operational activities. RF Active may also, from time to time, make distributions to unitholders of the profit generated from trading activities. These distributions could attract franking credits.
- 5.3 RFF receives lease payments over the life of its lease agreements. In FY25, RFF exhibited a WALE of c. 13.9 years. RFF also benefits from capital growth through any value appreciation of the underlying agricultural assets it owns. Lease agreements are subject to CPI or fixed lease escalation and are predominantly triple net leases<sup>28</sup>. Other benefits include development capital expenditure attracting higher rent and a market rent review mechanism for certain properties (usually every 5 years).

### Overview of RFF's agricultural assets

- 5.4 RFF's portfolio comprises various agricultural assets (mostly properties) which were valued at c. A\$2,062.0 million as at 30 June 2025 based on the most recent independent property valuations, and the Directors' valuations which adjust to account for water entitlements (these are reflected as intangible assets in the statutory accounts). These agricultural assets are diversified across 5 sectors including almond and macadamia orchards, vineyards, cattle and cropping assets, and water entitlements. The portfolio value is heavily weighted towards almonds, cattle, and macadamias, accounting for c. 80.0% of 30 June 2025 total adjusted assets. As of 30 June 2025, RFF owned 63 properties as summarised in the below table.

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<sup>28</sup> The lessee pays all real estate taxes, building insurance and maintenance on the property in addition to the normal fees expected.

**Figure 9 – RFF Total adjusted assets in agricultural sector**

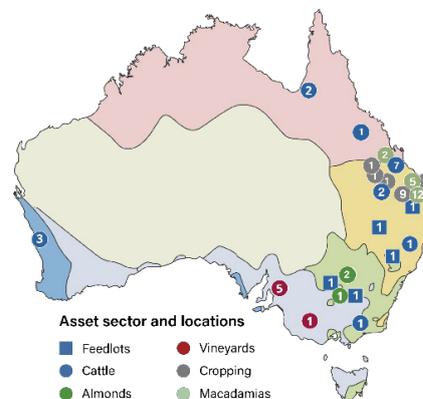
Agricultural sector	Geographic location	Properties	Size (ha)	FY25 value (A\$m)	% of total	FY25F rent (A\$m)
Almonds	NSW	3	4,068	450.5	22%	33.9
Cattle	QLD, NSW, VIC, WA	22	716,372	743.8	36%	22.6
Cropping	QLD	13	14,217	131.3	6%	4.4
Vineyards	SA, VIC	6	636	59.0	3%	4.7
Macadamias	QLD	19	4427	462.1	22%	17.3
Other (i.e. water entitlements)	NSW, QLD	n/a	25,419.0 ML	128.9	6%	2.5
Other assets	n/a	n/a	n/a	86.4	4%	n/a
<b>Total adjusted assets</b>		<b>63</b>	<b>739,720</b>	<b>2,062.0</b>	<b>100%</b>	<b>85.3</b>

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

Note (1): Data that is not publicly available or not applicable has been labelled as "n/a"

- 5.5 In November 2020 RFF acquired 21 sugar cane farms for A\$81 million, labelled as the Maryborough properties, consisting of 5,258 hectares of sugar cane to be used as cropping properties with ongoing progressive conversion to macadamia orchards. As at 30 June 2025 approximately 2,059 ha of this property remains as a cropping asset and constitutes c. 27% of RFF's total cropping portfolio value<sup>29</sup>. Since FY21, Macadamias have increased as a % of total adjusted assets, from c. 6% to 22% in FY25.
- 5.6 These acquisitions, and developments, are consistent with the Group's strategy of acquiring assets with potential for productivity improvements and focusing on the continued development of macadamia orchards in Queensland.
- 5.7 We have also provided further detail on the Company's acquisitions and disposals in the following sections covering the various areas of the Company's asset portfolio.
- 5.8 The below map illustrates RFF's geographical diversification of its portfolio. Assets are located throughout NSW, QLD, SA, VIC and WA although significantly weighted towards QLD. Cattle and macadamias are located in areas with mainly wet summers and dry winters whereas vineyards experience the opposite with wet winters and dry summers.

**Figure 10 - RFF's Geographical Diversification**



Source: Management.

Notes: (1) The number within each circle represents the number of assets owned in that location.

<sup>29</sup> Excluding Baamba Plains and Mayneland divestments

## Almond assets

5.9 RFF owns three almond orchard properties and related infrastructure, valued at c. A\$450.5 million as at 30 June 2025. RFF's almond assets are located in central west NSW. RFF leases the almond assets to agricultural operators and processors including SHV and Olam.

5.10 The table below summarises the existing almond assets:

**Figure 11 – RFF almond asset portfolio**

Property	Acquired	Location	Size (ha)	Year Planted	Water entitlement (ML)	Valuation A\$m	Lease Expiry Date	Lessee
Yilgah	Jun-2008	Hillston, NSW	935	2007/08	15 ML/ha	98.9	May-30	SHV
Tocabil	Oct-2014	Hillston, NSW	603	2015/16	10 ML/ha*	63.9	Apr-37	Olam
Kerarbury	Oct-2015	Darlington Point, NSW	2,530	2016/17/18	28 ML/ha**	287.6	Apr-38	Olam
<b>Total</b>			<b>4,068</b>			<b>450.4</b>		

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

Note: \*entitlement is per annum \*\*entitlements are high security and general security entitlements

5.11 Below we provide further details of each asset:

- *Yilgah* – Located 20 km north of Hillston, NSW. Yilgah consists of 935 ha of almonds orchards planted in 2007 and 2008. The almond plantings, associated infrastructure and water entitlements are leased entirely to Select Harvest under a 20-year lease agreement until May 2030.
- *Tocabil* – Located 30 km north east of Hillston, NSW and is 6,900 ha in size. Tocabil consists of 603 ha of almond orchards planted in 2015 and 2016. Tocabil is supported by c. 10 ML/ha per annum of water entitlements. The property is leased to Olam until April 2037.
- *Kerarbury* – Located in Darlington Point, NSW and is in relative proximity to RFF's existing almond orchards. Kerarbury has an area of 2,530 ha of almond orchards. The property is leased to Olam until April 2038.

## Cattle assets

5.12 RFF owns 22 cattle properties, valued at c. A\$743.8 million<sup>30</sup>, which are mostly located in QLD. The cattle properties are made up of 17 breeding, backgrounding and finishing properties and 5 cattle feedlots. The cattle feedlots are Prime City, Caroon, Mungindi, Beef City and Riverina Beef.

5.13 The below table summarises RFF's existing cattle assets:

<sup>30</sup> Based on most recent Independent Property Valuations up to as at 30 June 2025.

**Figure 12 – RFF Cattle asset portfolio**

Property	Acquired	Location	Size (ha)	Valuation	Lease	Lessee
				A\$m	Expiry Date	
Rewan	Aug-2016	Rolleston, QLD	17,479	72.7	Oct-29	AAC
Mutton Hole & Oakland Park	2016	QLD	225,800	29.9	n/a	Cattle JV
Natal Aggregation	Dec-2017	Charters Tower, QLD	390,600	186.0	n/a	DA and JF Camm
Comanche	Jul-2018	Rockhampton, QLD	7,600	36.2	n/a	AAC
Cerberus	Sep-2018	Rockhampton, QLD	8,280	26.2	Oct-29	Private
Dyamberin	Oct-2018	New England, NSW	1,728	23.2	Oct-28	Stone Axe
JBS Feedlots Finance Lease Receivable	2018	QLD/NSW	150,000	66.7	Jul-28	JBS Australia
Cobungra	Mar-2019	East Gippsland, VIC	6,497	52.9	Feb-29	Stone Axe
Petro, High Hill and Willara	Feb-2020	South-west, WA	6196.0	34.9	Feb-30	Stone Axe
Yarra	May-2020	Rockhampton, QLD	4,090	34.9	n/a	n/a
Homehill	Jun-2020	Rockhampton, QLD	4,925	20.8	n/a	AAC
Coolibah aggregation	Dec-2021	Rockhampton, QLD	724	5.7	n/a	Mort & Co
Thirsty Creek	Mar-2022	Rockhampton, QLD	503	7.0	n/a	Mort & Co
Kaiuroo	Apr-2023	Central, QLD	27,879	84.9	n/a	n/a
Wyseby	Jun-2023	Rolleston, QLD	14,071	35.0	n/a	Milong
<b>Total</b>			<b>867,435</b>	<b>717.0</b>		

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

Note (1): Data that is not publicly available or not applicable has been labelled as "n/a"

5.14 The following transactions have been initiated since 2023, either by RFF or RFM.

- Woodburn - In March 2025, the Group completed the divestment of Woodburn for c. A\$12.8 million.
- In June 2023, the Group acquired Wyseby, a 18,500 ha property located in Central Queensland, as a tenant-in-common in the interest of c. 57.25% for A\$37 million.
- Kaiuroo – In April 2023, the Group acquired Kaiuroo, a 27,879 ha property in Central Queensland for c. A\$74.0 million.

### Cotton & Cropping assets

5.15 RFF owns three cotton assets, valued at A\$90.9 million. The Lynora Downs property is located at the northern end of the Arcadia Valley in Queensland with the lease held with Cotton JV for five years until April 2027. The Mayneland and Baamba Plains properties are currently leased to a company managed by TRG.

5.16 In November 2020 the Group acquired the Maryborough properties, which consist of 21 cropping farms totalling 3,962 ha, currently used for sugar cane and 8,062 ML of water entitlements. These properties are valued at A\$53.9 million. RFM intends to progressively convert the farms to up to 2,500 of macadamia orchards, with a substantial portion of the remaining area to be used for cropping. The first plantings commenced in late FY21.

5.17 The below table summarises RFF's existing cotton and cropping assets:

**Figure 13 – RFF Cotton & cropping asset portfolio**

Property	Acquired	Location	Size (ha)	Type	Valuation	Lease	Lessee
					A\$m	Expiry Date	
Lynora Downs	Dec-2016	Arcadia Valley, QLD	4,963	Cotton and Cropping	50.7	Apr-27	Cotton JV
Mayneland <sup>1</sup>	Sep-2018	Rolleston, QLD	2,942	Cotton and Cropping	16.9	n/a	TRG
Baamba Plains <sup>1</sup>	Nov-2021	Central QLD	4,130	Cotton and Cropping	23.3	n/a	TRG
Swan Ridge South	Mar-2020	Bundaberg, QLD	123	Cropping	2.0	n/a	n/a
Maryborough	Nov-2020	Maryborough, QLD	2,059	Cropping	35.0	n/a <sup>2</sup>	n/a <sup>2</sup>
<b>Total</b>			<b>14,217</b>		<b>127.9</b>		

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

Note (1): 50% of interest is held by a company managed by TRG.

Note (2): RFF will crop established cane on behalf of RFF on all sugarcane properties.

Note (3): Data that is not publicly available or not applicable has been labelled as "n/a"

## Vineyard assets

5.18 RFF owns 6 vineyards, valued at c. A\$58.7 million. The vineyards are located in South Australia within the Barossa Valley, Adelaide Hills, and one vineyard located in the Grampians, Victoria. The vineyards are all leased to the ASX-listed wine maker TWE. There are also a number of water entitlements owned by RFF which are included in the lease to TWE.

5.19 The below table summarises RFF's vineyard assets:

**Figure 14 – RFF vineyard asset portfolio**

Property	Acquired	Location	Size (ha)	Main	Valuation	Lease	Lessee
				Variety	A\$m	Expiry Date	
Hahn	Feb-2000	Barossa, SA	50	Shiraz	3.9	Jun-26	TWE
Mundy & Murphy	Apr-2000	Adelaide Hills, SA	55	Cabernet Sauvignon	4.7	Jun-34	TWE
Geier	Sep-2000	Barossa, SA	243	Shiraz	24.7	Jun-39	TWE
Kleinig	May-2002	Barossa, SA	206	Shiraz	21.8	Jun-39	TWE
Rosebank	Aug-2003	Grampians, VIC	82	Shiraz	3.7	Jun-29	TWE
<b>Total</b>			<b>636</b>		<b>58.8</b>		

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

## Macadamia assets

5.20 RFF owns 11 macadamia orchards, valued at c. A\$429.6 million. The orchards are located near Bundaberg in Queensland.

5.21 Since 2019, the Group has acquired, or is converting, a number of properties to increase its portfolio of macadamia assets as follows:

- Rookwood Weir – In June 2024, the Group acquired 22,100 megalitres of Fitzroy River water allocations on completion of the Rookwood Weir for A\$36.3 million. These water entitlements will be utilised for future irrigation purposes for developing macadamia plants.

- *Cygnets* – In October 2019 the Group purchased Cygnets, a 37 ha property in Queensland for A\$1.6 million. The property is currently unleased and is under development for macadamia plantings.
- *Swan Ridge South* – In March 2020 the Group purchased Swan Ridge South, a 123 ha property in Bundaberg QLD adjoining the Swan Ridge property, for A\$1.6 million. The property is currently unleased and is under development for macadamia plantings.
- *Nursery Farm* – Also in March 2020 the Group purchased a 64 ha property in Bundaberg QLD for A\$2.2 million. This property is currently unleased and is under development for macadamia plantings as well as the establishment of a macadamia tree nursery.
- *Maryborough* – In November 2020, as noted in the cotton & cropping assets section above, the Group acquired the Maryborough property for A\$87.7 million. At this time the property consisted of 5,328 ha of sugar cane farms but is progressively being converted to up to 2,500 ha of macadamia orchards.
- *Riverton* – Also in November 2020, the Group purchased the Riverton property totalling 1,015 ha located in Fitzroy, QLD for A\$6.5 million. As at the date of this report, Riverton is considered a developed site for macadamia orchards.
- *Rookwood Farms* – The Group has purchased a number of properties totalling 2,452 ha located in Fitzroy QLD, to form part of the Rookwood Farms aggregation. As at the date of this report, a majority of the properties have been developed into macadamia orchards. The acquisition of these properties is as follows:
  - Stoneleigh – In December 2020 the Group purchased the Stoneleigh property for A\$6.6 million.
  - Corrowah – In February 2021 the Group purchased the Corrowah property for A\$1.9 million.
  - Tongola – In March 2021 the Group purchased the Tongola property for A\$3.2 million.
- *Beerwah and Bauple* – On 8 November 2021 the Group advised of the proposed acquisition of two macadamia orchards totalling 475 ha located in Queensland for A\$63.1 million including shares in Marquis Macadamias Ltd, a processing and marketing company (subject to Marquis Macadamias Ltd board approval). RFM will implement orchard upgrades and operate assets on behalf of RFF until leased. The acquisition was completed December 2021.

5.22 The below table summarises RFF's macadamia assets:

**Figure 15 – RFF Macadamia asset portfolio**

Property	Acquired	Location	Size (ha)	Year Planted	Water entitlement (ML)	Valuation A\$m	Lease Expiry Date	Lessee
Swan Ridge	Mar-2016	Bundaberg, QLD	130	2007		26.0	n/a	n/a
Moore Park	Mar-2016	Bundaberg, QLD	104	2007		16.7	n/a	n/a
Bonmac	Mar-2016	Bundaberg, QLD	27	2002		4.3	Dec-36	RFM
Beerwah	Dec-2021	Beerwah, QLD	340	n/a		36.0	n/a	n/a
Bauple	Dec-2021	Maryborough, QLD	135	n/a		19.5	n/a	n/a
Maryborough	Nov-2020	Maryborough, QLD	1,509	n/a	27,167	151.2	n/a	TRG
Cygnets	Oct-2019	Bundaberg, QLD	37	n/a		4.5	n/a	TRG
Nursery Farm	May-2020	Bundaberg, QLD	41	n/a		5.9	n/a	TRG/Dalwood
Riverton	Nov-2020	Rockhampton, QLD	422	n/a		53.3	n/a	TRG
Rookwood Farms - TRG	Dec-2020	Rockhampton, QLD	992	n/a		95.9	n/a	TRG
Rookwood Farms	Dec-2020	Rockhampton, QLD	n/a	n/a		16.3	n/a	n/a
<b>Total</b>			<b>3,737</b>		<b>27,167</b>	<b>429.6</b>		

Source: RFF website, other company announcements, RFF FY25 Annual Report, most recent independent property valuations up to as at 30 June 2025, GTCF analysis

Note (1): Data that is not publicly available or not applicable has been labelled as "n/a"

## Financial information

### Financial performance

5.23 The following table sets out the historical financial performance of RFF for FY23, FY24 and FY25.

**Figure 16 – RFF Statement of financial performance**

Statement of comprehensive income - RFF	FY23	FY24	FY25
A\$ '000	Audited	Audited	Audited
Rental income	63,130	73,669	92,536
Sale of livestock and agistment income	8,250	6,239	4,837
Sale of agricultural produce - farming operations	4,930	15,151	16,447
Interest received	389	1,094	554
<b>Total revenue</b>	<b>76,699</b>	<b>96,153</b>	<b>114,374</b>
Other Income	3,493	2,740	3,651
Fund management fees	(8,558)	(9,976)	(10,836)
Asset management fees	(6,419)	(7,482)	(8,127)
Property expenses	(3,165)	(3,451)	(3,686)
Property and other expenses - farming operations	(5,408)	(8,822)	(6,717)
Cost of goods sold	(13,049)	(20,629)	(20,536)
Other expenses	(7,522)	(7,402)	(7,571)
<b>EBITDA</b>	<b>36,071</b>	<b>41,131</b>	<b>60,552</b>
<i>EBITDA margin</i>	57.1%	55.8%	65.4%
Depreciation & Amortisation - bearer plants	(9,583)	(11,271)	(12,043)
Depreciation & Amortisation - other	(2,838)	(4,492)	(3,748)
<b>EBIT</b>	<b>23,650</b>	<b>25,368</b>	<b>44,761</b>
<i>EBIT margin</i>	37.5%	34.4%	48.4%
Share of net profit - equity accounted investments	-	-	(316)
Gain on disposal of fixed assets	802	444	(211)
Reversal of impairment/(impairment)	(1,169)	714	1,791
Changes in fair value of farming operations	513	7,077	8,281
Loss on settlement of pre-existing relationship - Macgrove acqn	(1,281)	-	-
Gain on bargain purchase - Macgrove acqn	440	-	-
Changes in fair value of investment property	61,106	58,057	6,003
Changes in fair value of financial assets/liabilities	156	154	449
Changes in fair value of interest rate swaps	8,930	(3,297)	(20,274)
Finance Income	18,305	13,609	14,441
Finance costs	(17,281)	(20,567)	(27,802)
<b>Net profit before income tax</b>	<b>94,171</b>	<b>81,560</b>	<b>27,123</b>
Tax expense	327	(1,119)	(1,047)
<b>Net profit after income tax</b>	<b>94,498</b>	<b>80,441</b>	<b>26,076</b>
<i>Net profit margin</i>	149.7%	109.2%	28.2%

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

5.24 In relation to the financial performance, we note the following:

- Total revenue has increased over the past three years, mostly driven by uplifts in rental income due to the signage of new leases. Most notably, in June 2024, the group entered into a 40 year lease for c. 3,000 ha of macadamia orchards with a company managed by The Rohatyn Group. This consistent

growth in revenue is expected to continue in FY26, with 1HFY26<sup>31</sup> revenue expected to perform favourably compared to 1HFY25 due to an uplift in rental income.

- RFF pays fund and asset management fees to RFM. From FY23 to FY25 fund management fees have increased from A\$8.6 million to A\$10.8 million and asset management fees from A\$6.4 million to A\$8.1 million respectively. These fees have increased with the increase in size of the assets of these funds.
- Property expenses, and Property and other expenses – farming operations, mostly relate to costs directly attributable to the properties such as insurance, rates on unleased properties and applicable cost recovery. Initially, these expenses increased c. 43.2% from A\$8.6 million in FY23 to A\$12.3 million in FY24, mostly driven by an uplift in macadamia property development costs including the acquisition of land, buildings, trees, irrigation infrastructure, etc. As upfront and one-off costs normalised, expenses decreased c. 15.2% to A\$10.4 million in FY25.
- Other expenses relate to non-property corporate overheads including ASX, bank, audit, registry fees and cost recoveries. Due to a slowdown of property acquisitions, other expenses have largely remained stable between FY23 and FY25.
- Depreciation of bearer plants mainly relates to depreciation of its plants used in the production of almonds, and to a lesser extent of plants used in the production of grapes for wines.
- The change in impairment expenses from a A\$1.2 million expense in FY23 to a benefit of A\$1.8 million in FY25 largely relates to the reversal of impaired water rights as a result of updated independent property valuations.
- Net profit after tax declined from c. A\$94.5 million in FY23 to A\$26.1 million in FY25 primarily driven by the normalisation of changes in the fair value of investment property due to a maturing portfolio.
- The changes in fair value of investment property relates to the revaluations of investment property. The below table illustrates that the cattle assets have been positively revalued for c. A\$125 million over the last three years as a consequence of obtaining independent valuations for RFF's various properties and assets. The Group has a policy to conduct independent valuations at least every two years with valuers rotated.

**Figure 17 – RFF Historical investment property revaluations**

Investment Property revaluations	FY23	FY24	FY25	Total
Almonds	21,452	417	1,568	23,437
Cattle	28,514	47,612	87	76,213
Cropping	1,569	(2,237)	4,387	3,719
Vineyards	5	(2,516)	0	(2,511)
Macadamias	9,566	14,781	(39)	24,308
<b>Total</b>	<b>61,106</b>	<b>58,057</b>	<b>6,003</b>	<b>125,166</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

<sup>31</sup> As at the date of the report, RFF's 1HFY26 financial results have not been announced to the public. However, we understand that Management intends to release these statements prior to the release of the NOM. On this basis, we have relied on draft 1HFY26 financial statements provided by Management, but have not disclosed them in our IER. We understand that material differences are not anticipated from the Directors.

- As of 30 June 2025, RFF had active interest rate swaps totalling 65.9% of the drawn down balance to manage interest rate risk. Interest rate swap transactions are entered into by RFF to exchange variable to fixed interest payment obligations to protect long-term borrowings from the risk of increasing interests rates. RFF experienced a decline in the fair value of the interest rate swaps in FY25 of A\$20.3 million as a result of declining interest rates.

### Financial position

5.25 The following table sets out the historical financial position of RFF as at 30 June 2023, 30 June 2024, 30 June 2025.

**Figure 18 – RFF Statements of financial position**

Statements of financial position - RFF	30-Jun-23	30-Jun-24	30-Jun-25
A\$ '000	Audited	Audited	Audited
<b>Assets</b>			
Cash and cash equivalents	5,753	7,243	7,914
Trade and other receivables	10,553	20,538	19,053
Other current assets (i.e. deposits)	1,860	2,186	1,768
Assets held for sale	-	48,876	13,806
Biological assets	14,295	12,907	11,974
Inventories	1,853	2,222	1,782
Financial assets	259	-	1,000
Derivative financial assets	-	619	320
<b>Total current assets</b>	<b>34,573</b>	<b>94,591</b>	<b>57,617</b>
Investment property	923,405	1,003,241	1,058,791
Plant and equipment - bearer plants	217,700	248,842	247,330
Financial assets	102,488	112,860	131,799
Intangible assets	166,988	201,724	199,003
Property - owner occupied	144,200	169,796	164,808
Plant and equipment - other	27,045	29,001	19,345
Investments accounted for using the equity method	-	-	8,927
Derivative financial assets	42,040	38,124	20,131
Other assets	11,652	3,035	3,971
Deferred tax assets	918	-	-
<b>Total non-current assets</b>	<b>1,636,436</b>	<b>1,806,623</b>	<b>1,854,105</b>
<b>Total assets</b>	<b>1,671,009</b>	<b>1,901,214</b>	<b>1,911,722</b>
<b>Liabilities</b>			
Trade and other payables	6,878	6,783	10,194
Unearned income	975	507	1,916
Current tax payable	-	705	461
Interest-bearing liabilities	33,150	35,994	46,976
Distributions payable	11,942	11,948	12,071
<b>Total current liabilities</b>	<b>52,945</b>	<b>55,937</b>	<b>71,618</b>
Interest-bearing liabilities	607,463	751,749	764,074
Deferred tax liabilities	8,334	7,914	8,269
Unearned income	5,902	10,581	13,689
Other non-current liabilities	3,206	3,716	3,206
Derivative financial liabilities	-	-	1,982
<b>Total non-current liabilities</b>	<b>624,905</b>	<b>773,960</b>	<b>791,220</b>
<b>Total liabilities</b>	<b>677,850</b>	<b>829,897</b>	<b>862,838</b>
<b>Net assets attributable to unitholders</b>	<b>993,159</b>	<b>1,071,317</b>	<b>1,048,884</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

5.26 In relation to the financial position, we make the following observations:

- Biological assets relate to RFF's cropping and farming operations, mostly consisting of sugar cane, cropping, cattle, and macadamias.

- As of recent, the Group's total investment property has continued to increase at a decreasing rate, mostly driven by a reduction in the Group's M&A activity, partly offset by the continued revaluation of fair values relating to periodic independent valuations obtained. Between 2022 and 2025, growth in investment property mostly relate to the company's continued investment and development of its macadamia assets. Refer to the table below for an overview of the development in investment property across the various agricultural sectors.

**Figure 19 – RFF Historical investment properties by segment**

Investment property - Agricultural sector				
A\$ '000	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Almond	141,080	163,663	167,334	174,116
Cattle	433,090	503,945	535,575	526,244
Vineyard	35,727	35,442	33,253	35,730
Cropping	88,931	83,440	71,372	93,854
Macadamia	88,153	136,915	195,707	228,847
<b>Total</b>	<b>786,981</b>	<b>923,405</b>	<b>1,003,241</b>	<b>1,058,791</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

- Plant and equipment - bearer plants relate to plants used to grow produce held for long-term rental yields. These plants are initially held at cost at initial measurement and subsequently revalued annually at fair value less any accumulated depreciation and impairment charges. As can be observed from the table below, the majority of the bearer plants comprise of almond assets and macadamia assets, which consist of c. 44.8% and 47.8% of total Bearer plant and equipment respectively.

**Figure 20 – RFF Historical bearer plant closing net book by segment**

Bearer plants - Agricultural sector				
A\$ '000	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Almond	124,948	129,121	125,899	110,859
Bvineyard	17,260	19,172	17,946	18,239
Macadamia	48,280	69,407	104,997	118,232
<b>Total</b>	<b>190,488</b>	<b>217,700</b>	<b>248,842</b>	<b>247,330</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

- Financial assets as at 30 June 2025 comprise of the following:
  - A minority investment in BIL, an unlisted public company that supplies non-potable supplementary irrigation water for vineyards in Barossa.
  - A minority investment in CICL<sup>32</sup>, finance leases of breeders, feedlots and equipment, and a secured term loan. CICL is one of Australia's major irrigation companies and delivers water near Griffith, close to RFF's almond assets.
  - The breeders have been leased to Cattle JV Pty Limited, a wholly owned subsidiary of RFM, for a period of 10 years until 2026.

<sup>32</sup> Coleambally Irrigation Co-operative Limited.

- The feedlots have been leased to JBS Australia Pty Limited for a period of 10 years until 2028. In June 2020, as part of the JBS transaction, the Group purchased five feedlots from JBS Australia Pty Limited and then leased them back to JBS. These feedlots are classified as a finance lease with a repurchase call option exercisable by JBS and a sale put option exercisable by the Group.
  - The finance lease to DA & JF Camm Pty Ltd consists of cattle owned by the Group and leased to DA & JF Camm Pty Ltd as part of a A\$5.0 million cattle financing facility. The gross balance drawn as at 30 June 2025 was nil.
  - Equipment finance lease consists of plant and equipment leased to a company managed by TRG used to operate leased macadamia orchards.
  - Other receivables relate to the recognition of rental revenue.
- Below we provide a summary of the financial assets:

**Figure 21 – RFF Historical Financial assets**

Financial assets A\$ '000	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Investment - BIL	520	520	520	520
Investment - CICL	11,464	11,464	11,464	11,464
Finance lease - Breeders	16,365	16,621	18,864	19,613
Finance lease - Feedlots	58,802	62,989	65,160	66,733
Finance lease - Equipment	1,522	164	130	10,498
Finance lease - DA & JF Camm Pty Ltd	-	-	2,381	-
Other receivables	598	2,067	5,271	13,405
<b>Total</b>	<b>89,271</b>	<b>93,825</b>	<b>103,790</b>	<b>122,233</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

- Intangible assets relate to the investments in water entitlement rights. These mainly relate to water entitlements used for the almond and macadamia assets. RFM generates revenue through the sale of temporary annual water allocations until required for future horticultural development. As at FY25, the Group earned c. A\$2.1 million of revenue in relation to the sale of temporary water allocations.

**Figure 22 – RFF Intangible assets**

Intangible assets A\$ '000	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Almond	66,707	66,707	66,707	66,707
Cattle	6,038	14,831	21,437	22,488
Vineyard	500	500	500	500
Cropping	7,961	11,966	6,831	7,774
Macadamia	5,441	6,954	26,251	25,408
Other	71,032	66,030	79,998	76,126
<b>Total</b>	<b>157,679</b>	<b>166,988</b>	<b>201,724</b>	<b>199,003</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

- As can be observed from the table below, interest bearing liabilities have increased over the years. Gearing is about 39.3%<sup>33</sup> of total assets which is above the target range of 30-35%. This was mostly driven by an uplift in long term borrowings to fund macadamia orchard development. In FY25, the core debt facility available increased from A\$750 million to A\$830 million, split in two tranches, with a A\$410 million tranche expiring in November 2026 and a A\$420 million tranche expiring in November 2027. Going forward, RFF intends to reduce its gearing back in line with its target range through the potential sale of negatively geared assets.

**Figure 23 – RFF Interest bearing liabilities**

Interest bearing liabilities A\$ '000	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25
Equipment loans (ANZ)	2,525	2,783	5,641	6,145
Borrowings (Rabobank)	-	24,455	24,454	24,454
TRG loan	-	5,714	5,714	16,192
J&F Guarantee - Borrowing loss provision	198	198	185	185
Borrowings (ANZ)	220,864	281,393	290,159	283,372
Borrowings (Rabobank)	184,236	242,565	286,397	280,422
Borrowings (NAB)	50,000	50,648	148,050	139,812
TRG loan	-	32,857	27,143	60,468
<b>Total</b>	<b>457,823</b>	<b>640,613</b>	<b>787,743</b>	<b>811,050</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

- Derivative financial liabilities relate to interest rate swaps which are measured at fair value. In FY25, RFF increased their hedging to c. 65.9% of the drawn down balance to manage interest rate risk.
- As at 31 December 2025<sup>34</sup>, RFF's net assets are expected to remain broadly consistent with the position as at 30 June 2025. Total assets have increased slightly, reflecting ongoing investment into RFF's existing properties and continued progression of planned capital development. This has mostly been offset by a similar uplift in liabilities primarily associated with the funding of the aforementioned investment activities.

## Cash Flow Statement

5.27 The following table sets out the historical cash flow statements of RFF for FY23, FY24 and FY25.

<sup>33</sup> Total interest bearing liabilities of A\$811.1 million divided by adjusted total agricultural assets of A\$2,062.0 million.

<sup>34</sup> As at the date of the report, RFF's 1HFY26 financial results have not been announced to the public. However, we understand that Management intends to release these statements prior to the release of the NOM. On this basis, we have relied on draft 1HFY26 financial statements provided by Management, but have not disclosed them in our IER. We understand that material differences are not anticipated from the Directors.

**Figure 24 – RFF Statements of cash flow**

Statements of cash flow - RFF	FY23	FY24	FY25
A\$ '000	Audited	Audited	Audited
<b>Cash flows from operating activities</b>			
Receipts from customers	89,183	94,347	127,106
Payments to suppliers and employees	(57,609)	(57,160)	(56,060)
Interest received	389	1,094	554
Finance income	14,118	13,609	12,868
Finance costs	(17,281)	(20,567)	(27,802)
Income tax paid	415	259	(936)
<b>Net cash inflow from operating activities</b>	<b>29,215</b>	<b>31,582</b>	<b>55,730</b>
<b>Cash flows from investing activities</b>			
Payments for investment property	(80,266)	(64,779)	(46,964)
Payments for plant and equipment - bearer plants	(13,415)	(9,715)	(16,487)
Payments for plant and equipment - property related	(420)	(4,672)	(3,815)
Payments for intangible assets	(9,556)	(33,041)	(3,004)
Payments for property - owner occupied	(54,743)	(14,363)	(17,221)
Payments for plant and equipment	(12,892)	(11,852)	(5,341)
Payments for financial assets - other	-	(217)	-
Payments for financial assets - convertible note	-	-	(2,000)
Payments for investments accounted for using the equity method	-	-	(8,242)
Payments for other assets	(1,518)	(301)	(2,126)
Proceeds from sale of investment property	26	80	13,841
Proceeds from financial assets - property related	893	240	3,655
Settlement of financial assets - property related	323	-	-
Proceeds from sale of intangible assets	-	-	35
Proceeds from sale of property - owner occupied	-	-	611
Proceeds from sale of plant and equipment	361	312	2,277
Proceeds from assets held for sale	530	-	48,846
Acquisition of new business	(1,392)	-	-
Distributions received	40	62	198
<b>Net cash outflow from investing activities</b>	<b>(172,029)</b>	<b>(138,246)</b>	<b>(35,737)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of units	5,665	6,421	2,940
Proceeds from borrowings	303,107	223,369	223,489
Repayment of borrowings	(120,317)	(76,225)	(200,182)
Distributions paid	(44,849)	(45,411)	(45,569)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>143,606</b>	<b>108,154</b>	<b>(19,322)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>792</b>	<b>1,490</b>	<b>671</b>
Cash and cash equivalents at the beginning of the financial year	4,961	5,753	7,243
<b>Cash and cash equivalents at year end</b>	<b>5,753</b>	<b>7,243</b>	<b>7,914</b>

Sources: RFF's FY23, FY24 & FY25 annual reports, GTCF analysis.

5.28 In relation to the cash flows, we make the following observations:

- Payments for investment properties largely relate to the ongoing capital development into its agricultural property portfolio, including macadamia orchard development and conversion, cattle property upgrades, irrigation and other infrastructure improvements.
- Bearer plants increased primarily due to additions, development, and establishment of macadamia and vineyard assets.
- Payments for intangible assets relate to the acquisitions of water entitlements rights for almond, cattle, cropping and macadamia asset classes.
- Payments for property – Relates to owner occupied property that is being used to conduct farming operations by the Group. As at 30 June 2025, total owner occupied property had a net book amount of c. A\$164.8 million.
- Proceeds from sale of investment property mostly comprise of the sale of 3 Maryborough cropping properties and the Woodburn property.
- As at 30 June 2025, proceeds from assets held for sale consists of two Maryborough cropping properties that are being actively marketed by the Group for sale.

### Share capital structure

- 5.29 RFF units are listed on the ASX. RFF is comprised of stapled units in two trusts, RFT and RF Active. As at the date of this Report, RFF had 389,722,999 ordinary units held publicly. Each holder of ordinary units has one vote in person or by proxy, and upon a poll each unit is entitled to one vote.
- 5.30 We have provided in the table below and the largest unitholders of the Group, as at 31 December 2025:

**Figure 25 – Top substantial unitholders of RFF as at 31 December 2025**

Substantial unitholders as at 31 December 2025			
Rank	Name	No. Shares	Interest (%)
1	J P Morgan Nominees Australia Pty Limited	44,337,789	11.38%
2	HSBC Custody Nominees (Australia) Limited	29,253,141	7.51%
3	Argo Investments Limited	25,418,122	6.52%
4	Citicorp Nominees Pty Limited	15,352,159	3.94%
5	Rural Funds Management Ltd	11,843,659	3.04%
6	Prudential Nominees Pty Ltd	10,000,000	2.57%
7	Bnp Paribas Noms Pty Ltd	5,499,400	1.41%
8	Bryant Family Services Pty Ltd <Bfs Superannuation Fund A/C>	3,768,012	0.97%
9	National Exchange Pty Ltd	3,600,000	0.92%
10	Bnp Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	3,328,803	0.85%
<b>Substantial unitholders total</b>		<b>152,401,085</b>	<b>39.10%</b>

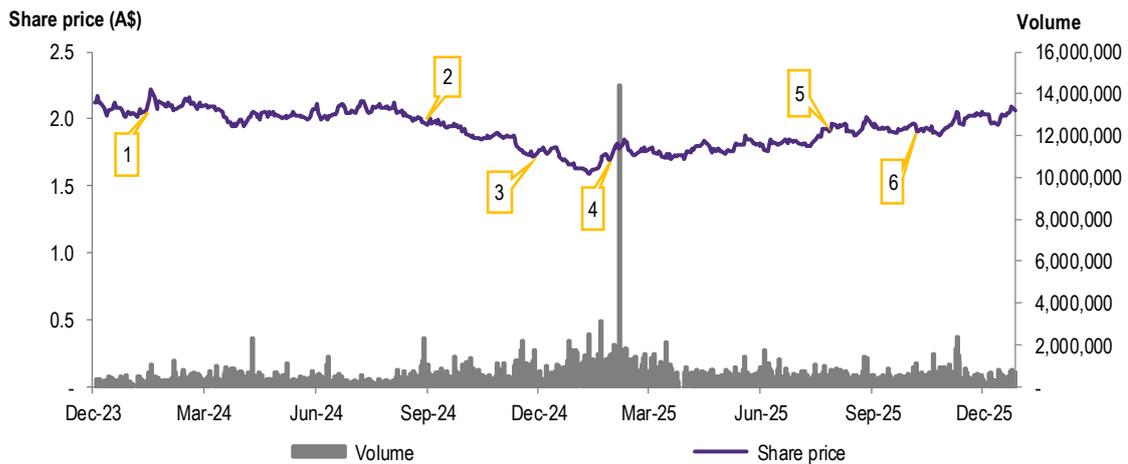
Sources: RFF FY25 Annual Report, ASX announcements related to substantial shareholders

5.31 We note that RFM holds 11,843,659 units in RFF, reflecting a c. 3.04% interest in RFF. The free float is 98.3%<sup>35</sup>. Management owns about 1.67% of the ordinary units in RFF.

## Share price analysis

5.32 The following is a chart showing the movements in RFF's share price and the volume of shares traded since 19 January 2026.

**Figure 26 – Historical share price and volume for RFF**



Source: S&P Global, GTCF analysis.

5.33 The following is a brief description of the key movements in the share price during the past year.

Event	Date	Comments
1	8-Feb-24	RFF provided an update on independent valuations arranged for the six months ending 31 December 2024, advising an increase of c. A\$80 million from June 2023 adjusted values.
2	27-Sep-24	RFF released their FY24 annual report, reporting: <ul style="list-style-type: none"> <li>• Net property income uplift of c. 8.0% to A\$88.4 million, driven by additional rental relating to the development of macadamia orchards.</li> <li>• Distributions per unit of 11.73 cpu.</li> <li>• Adjusted funds from operations of 11.0 cpu</li> <li>• Uplift in adjusted net asset value of c. 7.2% to A\$3.14 per unit, driven by independent asset valuations.</li> </ul>
3	20-Dec-24	RFF announced the suspension of its distribution reinvestment plan with consideration to the stapled security price continuing to trade below its adjusted net asset value.
4	21-Feb-25	RFF released their 1HFY25 financial results, reporting: <ul style="list-style-type: none"> <li>• Net property income uplift of c. 17.3% to A\$45.5 million, driven by additional rental income relating to the development of macadamia orchards.</li> <li>• Adjusted funds from operations of 5.73 cpu.</li> <li>• Distributions per unit of 5.87c in line with forecasts</li> <li>• Decline in adjusted net asset value of c. 1.2% to A\$3.10 per unit, driven by revaluations of interest rate swaps</li> </ul>
5	22-Aug-25	RFF released their FY25 financial results, reporting: <ul style="list-style-type: none"> <li>• Net property income uplift of c. 9.2% to A\$95.1 million, driven by additional rental income on capital expenditure primarily relating to the development of macadamia orchards.</li> <li>• Adjusted funds from operations uplift of c. 4.5% to 11.5 cpu compared to pcp.</li> <li>• Decline in adjusted net asset value of c. 1.9% to A\$3.08 per unit, driven by revaluations of interest rate swaps</li> </ul>

<sup>35</sup> Shares publicly held (389,722,999) minus shares held in RFF by David Bryant in (3,786,803), Guy Paynter (2,044,710), Michael Carroll (350,604), Andrea Lemmon (183,357), and Julian Widdup (148,481).

Event	Date	Comments
6	30-Sep-25	<p>RFF released their FY25 annual report, reporting:</p> <ul style="list-style-type: none"> <li>• Uplift in portfolio value of c. 1.2% to c. A\$2.1 billion in line with newly updated independent asset valuations.</li> <li>• Distributions per unit of 11.73 cpu, up c. 4.5% compared to pcp.</li> <li>• Divestments of c. 69.7 million.</li> <li>• TRG JV macadamia development of c. 3,000 ha orchards materially complete, and leased for 40 years.</li> </ul>

Source: ASX, GTCF analysis

5.34 The monthly share price performance of RFF since January 2026 as well as the weekly share price performance over the last 16 weeks is summarised below:

Rural Funds Group	Share Price			Average weekly volume 000'
	High \$	Low \$	Close \$	
<b>Month ended</b>				
Dec 2024	1.890	1.700	1.735	4,456
Jan 2025	1.815	1.615	1.620	5,086
Feb 2025	1.822	1.587	1.775	10,906
Mar 2025	1.847	1.715	1.740	6,139
Apr 2025	1.785	1.635	1.770	3,473
May 2025	1.845	1.740	1.755	2,979
Jun 2025	1.900	1.730	1.760	3,677
Jul 2025	1.860	1.765	1.820	3,042
Aug 2025	2.000	1.790	1.945	2,922
Sep 2025	2.030	1.860	1.925	2,994
Oct 2025	1.995	1.880	1.910	2,606
Nov 2025	1.970	1.865	1.960	3,514
Dec 2025	2.070	1.940	1.970	3,278
<b>Week ended</b>				
03 Oct 2025	1.965	1.910	1.930	2,221
10 Oct 2025	1.950	1.895	1.910	2,518
17 Oct 2025	1.940	1.880	1.920	2,366
24 Oct 2025	1.950	1.910	1.950	2,161
31 Oct 2025	1.995	1.910	1.910	3,602
07 Nov 2025	1.952	1.900	1.935	2,619
14 Nov 2025	1.952	1.877	1.905	3,969
21 Nov 2025	1.927	1.865	1.915	3,674
28 Nov 2025	1.970	1.920	1.960	3,793
05 Dec 2025	2.070	1.940	1.965	7,302
12 Dec 2025	2.030	1.940	2.020	2,856
19 Dec 2025	2.050	2.010	2.040	2,156
26 Dec 2025	2.060	2.020	2.030	1,088
02 Jan 2026	2.000	1.975	1.980	296
09 Jan 2026	2.050	1.950	2.020	2,836
16 Jan 2026	2.095	2.010	2.090	2,638

Sources: S&P Global, GTCF analysis

## 6. Profile of RFM

### Introduction

6.1 Established in 1997, RFM is one of the oldest agricultural fund managers in Australia. RFM is responsible for strategic direction, day-to-day management of its funds, asset acquisitions and sales, investment structure and portfolio composition. The company is headquartered in Canberra and has two regional offices in Sydney, and regional Queensland. We note that RFM is currently fully-owned by its directors and staff. Key management personnel comprise the following people:

**Figure 27 – RFM key management personnel**

Key Management Personnel - RFM			
Name	Role	Name	Role
David Bryant	Managing Director	Andrea Lemmon	Non-Executive Director
Guy Paynter	Director, Non-Executive Chairman	Tim Sheridan	Chief Operating Officer
Michael Carroll	Non-Executive Director	Daniel Yap	Chief Financial Officer
Julian Widdup	Non-Executive Director	Emma Spear	Company Secretary

Source: Management

6.2 RFM is the responsible entity for RFF, an ASX-listed REIT, with a A\$2.1 billion diversified agricultural asset portfolio. Refer to Section 5 for detailed information.

6.3 RFM also undertakes various agricultural activities including macadamia farming, livestock and cropping operations on leased properties via the following entities:

- RFM Farming Pty Limited – A wholly owned subsidiary of RFM that performs management activities including capital development, farming operations and farm management on behalf of the Group. Recent activity of the subsidiary includes, but is not limited to:
  - Mayneland, a 2,942 ha cotton property located in central QLD. In June 2024, the Group announced it had entered into a transaction for a 10-year lease of Mayneland to a company managed by Rohatyn Group.
  - Baamba Plains, a 4,130 ha cotton property located in central Queensland. In June 2024, the Group announced it had entered into a transaction for a 10-year lease of Baamba Plains to a company managed by Rohatyn Group.
  - Bonmac, a 27 ha macadamia asset current leased to RFM.
- RFM Macadamias Pty Limited – A wholly-owned subsidiary of RFM that operates management activities on behalf of the Group. As at 30 June 2025, RFM currently has 6 macadamia orchards under development, consisting of c. 1,566 planted and planned hectares.
- Cattle JV Pty Limited – A wholly owned subsidiary of RFM leasing Mutton Hole and Oakland Park. This entity was previously the lessee of Rewan. In July 2019, the lease was transferred to the Australian Agricultural Company which entered into a 10-year lease with RFF.

- Cotton JV Pty Limited – A joint venture between RFM and Queensland Cotton Corporation Pty Limited (a subsidiary of Olam International Limited). Lynora Downs, a 4,963 hectare cotton property located near Emerald in QLD, is leased to this entity until April 2027. In December 2024, Queensland Cotton Corporation Pty Ltd exited its shareholding in Cotton JV, with shares acquired by RF Active.
- J&F Australia Pty Limited.

## Financial information

### Financial performance

6.4 The following table sets out the historical financial performance of RFM for FY24 and FY25.

**Figure 28 – RFM Statements of financial performance**

Statement of comprehensive income - RFM	FY24	FY25
A\$ '000	Audited	Audited
Management fees	18,038	20,799
Rendering of services	17,758	23,066
Sale of agricultural produce	7,349	768
Sale of livestock	3,537	2,323
Agistment income	99	326
Cattle finance income	27,424	31,752
Other Income	2,462	1,948
<b>Total revenue</b>	<b>76,667</b>	<b>80,982</b>
Cost of agricultural produce sold	(7,177)	(484)
Direct agriculture expenses	(5,072)	(4,211)
Cost of livestock sold	(3,468)	(2,244)
<b>Gross profit</b>	<b>60,950</b>	<b>74,043</b>
<i>Gross margin %</i>		
Repairs and maintenance expense	(1,190)	(440)
Employee benefits expense	(24,157)	(27,030)
Professional fees	(541)	(533)
Other expenses	(2,877)	(3,304)
Rental and property expenses	(1,787)	(505)
<b>EBITDA</b>	<b>30,398</b>	<b>42,231</b>
<i>EBITDA margin</i>	39.6%	52.1%
Depreciation & Amortisation	(3,949)	(2,756)
<b>EBIT</b>	<b>26,449</b>	<b>39,475</b>
<i>EBIT margin (%)</i>	146.6%	189.8%
Share of net profit - equity accounted investments	106	439
Gain / (Loss) on sale of assets	168	1
Asset impairment	(13)	(10)
Changes in fair value of biological assets	6,496	7,199
Changes in fair value of financial assets	3,026	(3,092)
Finance income	268	244
Finance costs	(29,539)	(33,583)
<b>Net profit before income tax</b>	<b>6,961</b>	<b>10,673</b>
Tax expense	(4,077)	(2,847)
<b>Net profit after income tax</b>	<b>2,884</b>	<b>7,826</b>
<i>Net profit margin</i>	16.0%	37.6%

Source: RFM FY25 annual report, GTCF analysis

6.5 In relation to the financial performance, we note the following:

- RFM receives fund or asset management fees<sup>36</sup> from the entities it manages in return for managing their investments, overseeing operations and promoting the fund to investors. These fees are levied as a percentage of gross assets under management, net value of the funds or operating costs.

<sup>36</sup> Approximately 1% per annum based on average adjusted total asset value in the fund as at 30 June 2025.

- RFM is also reimbursed for costs incurred by RFM on behalf of its funds. It receives income from its managed entities for rendering of services, which include corporate services and farm management services under the terms of the service agreement.
- RFM records all income (and associated costs) from the sale of agricultural produce (i.e. cotton, macadamias and almonds) and livestock. In FY25, RFM generated A\$2.3 million revenues from the sale of livestock but incurred A\$2.2 million in costs for livestock sold.
- RFM receives cattle finance income from its wholly-owned subsidiary J&F, which contributed approximately A\$31.8 million of income in FY25.
- Direct agricultural expenses reduced from c. A\$5.1 million in FY24 to A\$4.2 million in FY25 due to favourable commodity pricing.
- Biological assets, which mainly comprise of livestock, are recorded at fair value (less costs to sell). The changes in fair value of biological assets therefore mainly relate to the revaluations of the livestock assets over time. The revaluation in FY25 of c. A\$7.2 million, mostly related to livestock as a result of the weight gain of backgrounding cattle and price increases for both backgrounding and breeder cattle.
- The change in fair value of financial assets relates to RFM's interest in RFF. RFM holds units in RFF which are recognised at fair value. Any changes in fair value are recognised as a change in fair value of financial assets. The reduction is driven by a lower revaluation on RFM's investment in RFF due to a decline in RFF's share price from FY24 to FY25.
- Finance costs are incurred on the bank debt facilities which amounted to c. A\$425.8 million as at 30 June 2025. The finance costs also increased with a financial guarantee fee of A\$5.8 million (FY24: A\$5.2 million) paid to RFF in return for providing a limited guarantee in relation with the finance lease arrangement with JBS Australia Pty Limited.

### Financial position

6.6 The following table sets out the historical financial position of RFM as at 30 June 2024 and as at 30 June 2025.

**Figure 29 – RFM Statements of financial position**

Statements of financial position - RFM	30-Jun-24	30-Jun-25
A\$ '000	Audited	Audited
<b>Assets</b>		
Cash and cash equivalents	6,862	8,110
Trade and other receivables	53,849	117,053
Inventories	3,741	1,397
Biological assets	38,173	41,058
Cattle under finance	341,980	408,762
Other assets	1,825	1,933
Financial assets	1,907	2,351
Income tax receivable	709	39
<b>Total current assets</b>	<b>449,046</b>	<b>580,703</b>
Financial assets	26,250	23,157
Plant and equipment	12,068	9,046
Right-of-use assets - leases	8,956	5,041
Investments accounted for using the equity method	292	2,839
Goodwill	429	429
Deferred tax assets	231	709
<b>Total non-current assets</b>	<b>48,226</b>	<b>41,221</b>
<b>Total assets</b>	<b>497,272</b>	<b>621,924</b>
<b>Liabilities</b>		
Trade and other payables	62,065	68,995
Interest bearing liabilities	355,599	492,174
Provisions	4,150	4,694
Lease liabilities	2,633	847
<b>Total current liabilities</b>	<b>424,447</b>	<b>566,710</b>
Interest bearing liabilities	27,709	7,402
Provisions	234	259
Deferred tax liabilities	1,435	1,150
Lease liabilities	7,378	5,070
<b>Total non-current liabilities</b>	<b>36,756</b>	<b>13,881</b>
<b>Total liabilities</b>	<b>461,203</b>	<b>580,591</b>
<b>Net assets attributable to unitholders</b>	<b>36,069</b>	<b>41,333</b>

Source: RFM FY25 annual report, GTCF analysis

6.7 In relation to the financial position, we make the following observations:

- Trade and other receivables mainly relate to amounts owed from JBS and JBS Pork Australia Pty Ltd in relation to the cattle sold to JBS, and grain arrangement between J&F and JBS Pork. As at the date of the accounts, no receivables were overdue.
- Biological assets are largely related to livestock and have increased due to additions as well as increases in biological transformation.

- Cattle under finance represents the cattle owned by J&F in the Feedlots. The associated debt in relation to the Finance Facilities is also recorded on the balance sheet.
- Financial assets mainly comprise of units in Rural Funds Group.
- The current portion of financial assets as at 30 June 2025 relates to loans provided to shareholders and related parties of c. A\$2.4 million. The non-current portion primarily relates RFM's c. A\$23.2 million investment in RFF.
- Interest-bearing liabilities have increased materially as a result of the increase to the Finance Facilities limit from c. A\$333.3 million to A\$440.0 million in February 2022. The Finance Facilities are used to supply cattle, feed and associated costs to JBS. This bank facility is backed by the RFF limited guarantee of A\$132 million and the cattle acquired. The core debt facility expires in August 2028<sup>37</sup>. In addition to bank debt, interest bearing liabilities include a finance lease of c. A\$19.6 million in relation to breeder cattle held by Cattle JV which have been leased from RF Active for a period of 10 years ending in 2026. This relates to breeder cattle that are held on two properties located near the Gulf of Carpentaria and are financed through a finance lease arrangement with RF Active. As part of the arrangement, RFM is required to maintain the breeder herd and maintain an active breeding program.

6.8 Below we provide an overview of the interest-bearing liabilities outstanding.

**Figure 30 – RFM Interest bearing liabilities**

Interest bearing liabilities A\$ '000	30-Jun-24	30-Jun-25
Bank overdrafts (J&F - ANZ)	2,274	3,878
Borrowings (J&F - ANZ)	212,689	290,680
Borrowings (J&F - Rabobank)	121,911	166,320
Borrowings (RFM - ANZ)	7,314	4,080
Borrowings (RFM - NAB)	208	208
Borrowings (RFMF - ANZ)	1,000	-
Borrowings (CJV - Agrifunder)	5,706	5,998
Borrowings (CotJV - ANZ)	1,600	-
Borrowings (asset finance - ANZ)	1,266	622
Borrowings (others)	1,631	824
Finance lease - breeders (CJV - RFA)	18,767	19,564
Borrowings (asset finance - ANZ)	8,768	7,402
Borrowings (others)	174	-
	<b>383,308</b>	<b>499,576</b>

Source: RFM FY25 annual report, GTCF analysis

- Deferred tax liabilities primarily relate to deferred tax liabilities on investments and biological assets set-off by any deferred tax assets. As at 30 June 2025, the Group had deferred tax assets of A\$0.7 million.

<sup>37</sup> Notwithstanding the expiry date of the facility being beyond 12 months from balance date, the debt is classified as current due to the term of settlement for the draw-down being within one year.

## Cash Flow Statement

6.9 The following table sets out the historical cash flow statements of RFM for FY24 and FY25.

**Figure 31 – RFM Statements of cash flow**

Statements of cash flow - RFM	FY24	FY25
A\$ '000	Audited	Audited
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	46,994	54,146
Payments to suppliers and employees (inclusive of GST)	(39,784)	(38,258)
Net receipts from cattle under finance	42,316	(93,519)
Interest received	268	244
Finance costs	(3,752)	(3,626)
Finance costs - lease	(525)	(378)
Finance costs - cattle under finance	(25,262)	(29,579)
Distribution received	1,543	1,543
Income tax paid	(3,983)	(3,024)
<b>Net cash inflow from operating activities</b>	<b>17,815</b>	<b>(112,451)</b>
<b>Cash flows from investing activities</b>		
Payment for biological assets (breeders)	(513)	(504)
Payments for plant and equipment	(1,659)	(306)
Proceeds from sale of plant and equipment	476	843
Loans to related parties	(1,907)	(2,351)
Repayments from related parties	1,461	1,907
Receipts from equity accounted investments	101	118
<b>Net cash outflow from investing activities</b>	<b>(2,041)</b>	<b>(293)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	14,215	125,246
Proceeds from finance lease - breeders	2,292	797
Repayment of borrowings	(31,721)	(8,944)
Repayment of lease liabilities - other	(2,702)	(1,830)
Payment for shares bought back	(846)	(974)
Dividends paid	(1,461)	(1,907)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(20,223)</b>	<b>112,388</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(4,449)</b>	<b>(356)</b>
Cash and cash equivalents at the beginning of the year	9,037	4,588
<b>Cash and cash equivalents at year end</b>	<b>4,588</b>	<b>4,232</b>

Source: RFM FY25 annual report, GTCF analysis

6.10 In relation to the cash flows, we make the following observations:

- Finance costs relate to the interest expense associated with the cattle and grain held under finance under the Finance Facilities as well as lease expenses.
- Net receipts from cattle under finance declined from positive c. A\$42.3 million in FY24 to negative A\$93.5 million in FY25. This was largely driven by an increase in cattle purchased during the year, in

addition to a change in the company's accounts receivable terms which were extended from 14 days to 30 days.

- In FY25, a dividend of A\$1.9 million was paid during the year.

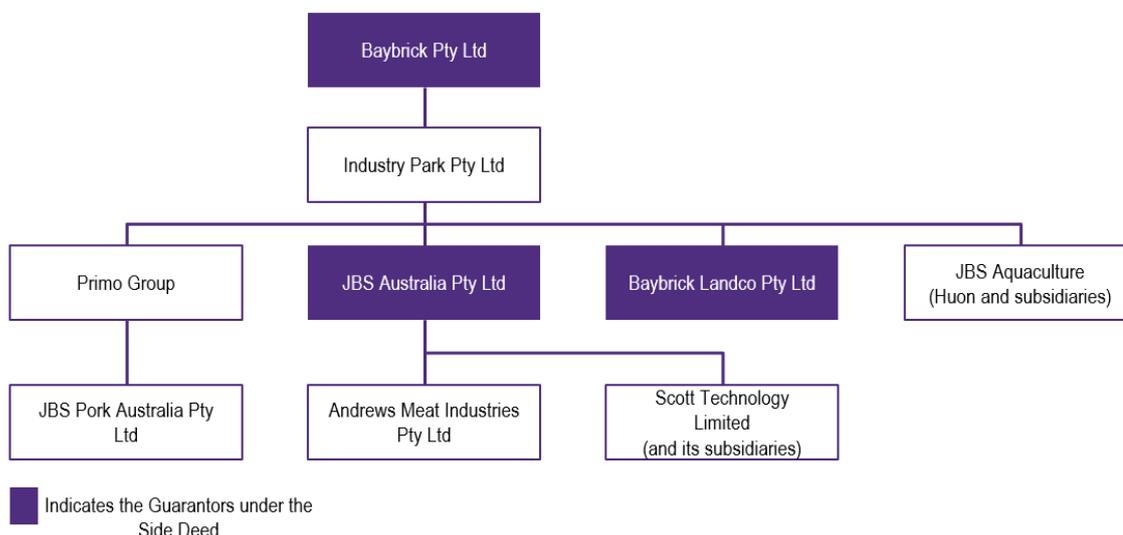
## 7. Profile of JBS

### Introduction

7.1 JBS is the largest meat processing company in Australia and a division of JBS N.V., the largest animal protein processing company in the world. In Australia, JBS operates ten processing facilities and six feedlots covering over 10,000 hectares with a daily processing capacity of more than 10,000 cattle and 12,000 small stock. JBS' Australian operations also comprise Australia's largest smallgoods manufacturer Primo Foods and Andrews Meat Industries, a high-value meat cutting and case-ready production facility. In addition to supplying the domestic market, JBS also exports to over 80 countries and employs over 15,000 across Australia and New Zealand.

7.2 Below we provide an overview of JBS' organisation structure.

**Figure 32 – Organisation structure JBS**



Source: Management

7.3 On 12 July 2018, RFM, as responsible entity of RFF, announced the acquisition of JBS Australia's five feedlots which was secured by a 10-year triple net lease through which JBS provides lease payments to RFF.

7.4 In 2017, the indirect parent company of Baybrick, J&F Investimentos S.A, entered into a plea bargain in connection with improper payments made to Brazilian politicians, government officials and other individuals. It was reported in the media that J&F Investimentos S.A has agreed to pay approximately A\$5.4 billion in fines in relation to its role in corruption scandals. The payments, which can be made over a period of 25 years, will be made exclusively by the holding company J&F Investimentos S.A. The scandals and resulting fines could potentially have an impact on the JBS group's reputation, business, financial condition, results of operations and prospects.

7.5 We note that the credit rating of JBS under both Fitch Ratings and Moody's ratings have remained at investment grade on the back of improved corporate governance. Currently, JBS N.V.'s leverage ended at 2.39x as at 30 September 2025, which is in line with the company's long term target. Accordingly, we note

JBS N.V is still relatively highly leveraged and its financial performance should be closely monitored from time to time in order to determine its financial strength.

## Financial information

- 7.6 The lease obligations to be paid by JBS to RFF will be guaranteed by the Lease Guarantors<sup>38</sup>.
- 7.7 We have been provided with the financial statements of Baybrick Pty Ltd which guarantees JBS' obligations.
- 7.8 We note that Baybrick does not prepare consolidated financial statements in accordance with AASB10. This is due to a group restructure in FY18 under which Baybrick no longer holds property plant and equipment with its nature changing largely to that of a holding entity, and is no longer involved directly in the operations of the wider JBS group. Accordingly, due to the restructure and given the entity is no longer a reporting entity, AASB10 has not been applied to the following financial statements. As a result, in the income statement presented below, the company is breaking-even at an EBITDA level but the balance sheet records the investments in the subsidiaries.

## Financial performance

- 7.9 Set out below is Baybrick's statement of profit or loss for CY23 and CY24.

**Figure 33 – Baybrick statements of comprehensive income**

Statement of comprehensive income - Baybrick		
A\$ '000	CY23	CY24
Management services fees	1,445	1,371
Employee benefits expense	(1,403)	(1,317)
<b>EBIT</b>	<b>42</b>	<b>54</b>
<i>EBIT margin</i>	2.9%	3.9%
Finance costs	(5,943)	(1,650)
<b>Net profit before income tax</b>	<b>(5,901)</b>	<b>(1,596)</b>
Tax expense	(13)	(18)
<b>Net profit after income tax</b>	<b>(5,914)</b>	<b>(1,614)</b>

Source: Baybrick CY24 accounts, GTCF analysis

- 7.10 We note that finance costs relate to borrowings from related parties of c. A\$1.7 million in CY24.

## Financial position

- 7.11 Set out below is a consolidated statement of financial position of Baybrick as at 31 December 2023 and as at 31 December 2024.

<sup>38</sup> JBS, Baybrick and Landco.

**Figure 34 – Baybrick statements of financial position**

Statements of financial position - Baybrick		
A\$ '000	31-Dec-23	31-Dec-24
<b>Assets</b>		
Receivables from related parties	17,989	18,100
<b>Total current assets</b>	<b>17,989</b>	<b>18,100</b>
Financial assets	16,163	16,126
Investment in subsidiaries	3,514,025	3,514,025
Deferred tax assets	271	291
<b>Total non-current assets</b>	<b>3,530,459</b>	<b>3,530,442</b>
<b>Total assets</b>	<b>3,548,448</b>	<b>3,548,542</b>
Employee benefit liabilities	929	986
<b>Total current liabilities</b>	<b>929</b>	<b>986</b>
Borrowings from related parties	28,840	30,491
<b>Total non-current liabilities</b>	<b>28,840</b>	<b>30,491</b>
<b>Total liabilities</b>	<b>29,769</b>	<b>31,477</b>
<b>Net assets attributable to unitholders</b>	<b>3,518,679</b>	<b>3,517,065</b>

Source: Baybrick CY24 accounts, GTCF analysis

- 7.12 As at 31 December 2024, we observe that Baybrick's net asset position was c. A\$3.5 billion in CY24 and CY23 due to investments in subsidiaries of c. A\$3.5 billion. We note that Baybrick is accounting for its investments in its subsidiaries on an equity basis, and hence the profits of subsidiaries is recognised in the "investment in subsidiaries" line item.

## 8. Valuation methodologies

### Introduction

Grant Thornton Corporate Finance has assessed the value using the concept of fair market value. Fair market value is commonly defined as:

*“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”*

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

### Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders in an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine schemes received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG 111 does not prescribe any of the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert’s skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question, and the availability of relevant information.

### Selected valuation method

- 8.2 RG 111 suggests that a proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. Our fairness assessment involves comparing:

- The potential proceeds from the sale of the assets under the Security which would be provided to RFF and the value of the outstanding liability which would be owing to RFF in the event of a default under the Additional Guarantee.
- The terms of the Guarantee Fee.
- The terms of the Guarantee Term Extension

## 9. Fairness assessment of the Additional Guarantee

- 9.1 If the Additional Guarantee is approved, the Financiers will increase the Cash Advance Facility loan of A\$132 million to A\$160 million (with potential to increase it up to A\$200 million subject to approval by RFF and the Financiers), secured by the assets of J&F. Under the Guarantee Deed of Amendment in relation to the Guarantee, RFF has a second-ranking security over the assets of J&F.
- 9.2 Under the legal terms, the Guarantee can only be called as a result of the following consequential steps:
- In case of default by JBS or J&F under the Cash Advance Facility, the senior financiers would exercise their first ranking security over all assets of J&F.
  - The Secured Assets would be progressively sold with all proceeds of the sale applied strictly and directly to repay outstanding J&F borrowings.
  - To the extent that the proceeds from the enforcement and sale of all J&F assets are insufficient to fully discharge the amounts owing to the Financiers under the Cash Advance Facility, then the Guarantee is called upon.
- 9.3 Any payment made by RFF under the Guarantee would be applied directly to satisfy that residual shortfall for the Financiers after all the Secured Assets have been realised.
- 9.4 A call on the Guarantee is, by definition, evidence that the aggregate realised value of J&F assets has been fully exhausted and remains insufficient to repay senior secured debt in full. In these circumstances, there would be no remaining operating assets, livestock inventory or surplus cash within J&F. As RFF holds only a second ranking security, there is no plausible pathway through which value could flow to RFF if the Guarantee is called and there are no circumstances under which RFF could acquire assets from J&F as a result of the second ranking security. The Guarantee functions solely as a loss absorption mechanism for the benefit of the Financiers in extreme downside scenarios and there is no value in the second ranking security.
- 9.5 Accordingly, by providing the Guarantee, RFF is taking equity risk in J&F and effectively the Guarantee Fee represents the return received by RFF for taking this risk. In forming our opinion on the fairness of granting the Additional Guarantee to J&F, we have compared annual return from the Guarantee Fee payable to RFF by J&F, which are on a sliding scale<sup>39</sup> between c. 9.8% and 11.3%<sup>40</sup>, with the cost of equity of J&F.
- 9.6 As summarised in the table below, we have assessed the cost of equity of J&F in a range is between 9.1% and 10.6% and the WACC in the range of 7.6% and 8.3%.

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<sup>39</sup> Based on the facility balance

<sup>40</sup> For the avoidance of doubt, the Guarantee Fee does not include any insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFF that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee).

**Figure 35 – Cost of equity calculation**

	Low	High
Risk-free rate	4.00%	4.00%
Market risk premium	6.0%	6.0%
Equity beta	0.85	1.10
SRP	0.0%	0.0%
<b>Cost of Equity</b>	<b>9.1%</b>	<b>10.6%</b>
<b>Cost of debt</b>		
Cost of debt (pre tax)	6.0%	7.0%
Tax	30.0%	30.0%
<b>Cost of debt (post tax)</b>	<b>4.2%</b>	<b>4.9%</b>
<b>Capital structure</b>		
Proportion of debt	30.0%	40.0%
Proportion of equity	70.0%	60.0%
	100%	100%
<b>WACC (post tax)</b>	<b>7.6%</b>	<b>8.3%</b>

Source: GTCF analysis, S&P Global

- 9.7 As a broad cross check, we have had reference to the discount rates (presumably WACC) disclosed by relevant listed agricultural companies for impairment testing purposes.

**Figure 36 – Discount rate benchmarking analysis (WACC)**

Discount rate benchmarking	FY24	FY25
After tax discount rate (%)		
<b>Agricultural stocks - Australia</b>		
<b>Rural Funds Group</b>		
Almond orchard	5.3%	7.6%
Vineyard	5.8%	5.8%
Macadamia	5.8%	5.8%
<b>Treasury Wine Estates Limited</b>		
Penfolds	6.8%	6.9%
Treasury Americans	6.8%	6.9%
Treasury Premium	7.4%	9.7%
<b>Elders Limited</b>	7.8%	7.7%
<b>Ridley Corporation Limited</b>		
Packaged and Ingredients	8.0%	8.0%
Bulk Stockfeed	8.0%	8.0%
<b>Low</b>	<b>5.3%</b>	<b>5.8%</b>
<b>Median</b>	<b>6.8%</b>	<b>7.6%</b>
<b>Average</b>	<b>6.9%</b>	<b>7.4%</b>
<b>High</b>	<b>8.0%</b>	<b>9.7%</b>

Source: GTCF analysis, Publicly available documents

*Note (1): For the purposes of our cross check, we have converted all disclosed discount rates to a post-tax basis using the simplified formula: post tax discount rate = pretax discount rate x (1-30%). Discount rates are assumed to be post tax by default if not disclosed.*

- 9.8 A detailed breakdown of the calculation and related support is provided in Appendix B. We note that the Guarantee Fee is substantially in line with the estimated cost of equity of J&F and also supported by the return adopted by other operators in the agricultural sector.
- 9.9 We believe that the Guarantee Fee is more than commensurate to the risk taken by RFF of J&F becoming insolvent and then the Secured Assets not being sufficient to repay the Financiers due to the following:
- For J&F to default, given its primary source of income is from payments from JBS, the most likely cause of the default would be as a result of JBS defaulting. The Lease Guarantors will continue to provide a guarantee under the Side Deed for the performance of JBS. Baybrick Pty Ltd reported net assets of c. A\$3.5 billion as at 31 December 2024. However, despite the above, should the Financiers call upon the Additional Guarantee, RFF will be required to provide the Guarantee to the Financiers and then exercise their rights pertaining to the Secured Assets to recoup the amount of the Guarantee paid to Financiers.
  - J&F's main asset is cattle, which typically gain weight whilst in the feedlot and are sold on a per kg basis. As such, it would require an adverse movement in the cattle price from time of purchase to sale for a shortfall to be realised after the Financiers have sold the Secured Assets.

## Conclusion – Guarantee

- 9.10 Based on the above analysis, we conclude that the Guarantee appears to be on arm's length basis and no financial benefits is provided to the related parties.

## 10. Fairness assessment of the Guarantee Term Extension

- 10.1 As disclosed in the NOM and EM, RFM, as responsible entity of RFF, is also seeking approval from the Unitholders of Rural Funds Trust and RF Active to extend the term of the Additional Guarantee on largely the same basis. If the Guarantee Term Extension is approved, the Extended Guarantee will occur largely on the same commercial terms as the Additional Guarantee which we have summarised below:
- The term will be up to 10 years to 2038, compared to 2028 under the Additional Guarantee.
  - The Extended Guarantee can only be called upon by the financiers on the same basis as the Additional Guarantee. Further detail on these steps are discussed in paragraph 9.2.
  - Under the Guarantee Term Extension, the Guarantee Fee will be calculated in the same way as the Additional Guarantee on a sliding rate, depending on the balance of the Extended Guarantee, in line with the Additional Guarantee. This fee does not include any interest on cash held as collateral, insurance costs, J&F interest on the Cash Advance Facility, and management costs paid to RFM that typically vary between 1.05% and 0.91% (depending on the level of the Guarantee)<sup>41</sup>.
  - The guarantee provided during the term extension will have second ranking security behind the Financiers on the Secured Assets of J&F.
- 10.2 In Section 9, we have concluded that the Additional Guarantee is fair, hence by extension the Guarantee Term Extension should also be fair on the basis that the commercial terms are largely equivalent from a materiality perspective. However, we note market conditions may change significantly over this extended period of time compared with the circumstances considered in our fairness opinion for the Additional Guarantee which has a residual term only to 2028. Specifically, a significant uplift to the risk free rate or market risk premium may cause a material change in the cost of equity of J&F which we have used to benchmark the Guarantee Fee.
- 10.3 Hence, in forming our opinion, we have compared the forecast market returns on equity investments in the industry expected over the Guarantee Term Extension with our assessed cost of equity under the Additional Guarantee, and the Guarantee Fee (which will cover up to 2038 if the Guarantee Term Extension is approved). Specifically, we have considered:
- The forecast risk free rate using the 15 year forecast yield curve and assessed the potential implied change in cost of equity compared to the Guarantee Fee; and
  - Taken a view of the long-term market return for the purposes of calculating an implied market risk premium, and the cost of equity's sensitivity to the risk free rate.

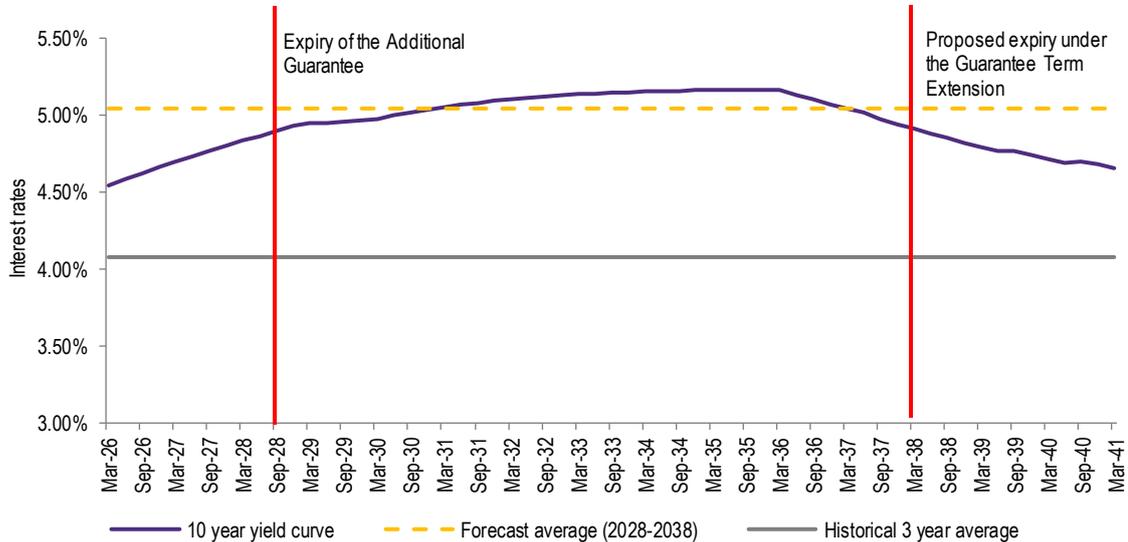
### Analysis undertaken

- 10.4 In absence of an official risk-free rate, the yield on government bonds (in an appropriate jurisdiction) is commonly used as a proxy for the purposes of calculating a cost of equity. Accordingly, we have observed the forecast yield on the 10-year Australian Government bond over a 15 year period. As summarised in

<sup>41</sup> The maximum RFM Management Fee is 1.05%, assuming the Cash Advance Facility is fully drawn. The minimum RFM Management Fee is 0.91% of the guarantee amount.

Figure 37, the forecast interest rate is expected to increase to a 10 year average between 2028 and 2038 of c. 5.0% compared to the historical 3 year average of c. 4.1%<sup>42</sup>.

**Figure 37 – Forecast yield curve**



Source: GTCF analysis, Bloomberg  
 Notes (1): Data sourced as at 31 December 2025

- 10.5 On the basis above, we have recalculated our assessed discount rate assuming a risk free rate of c. 5.0%, keeping all other inputs in line with our cost of equity analysis provided in Appendix B. This equates to a cost of equity of between c. 10.1% to 11.6% which we note is mostly in line with the range of the Guarantee Fee Rate under the Additional Guarantee of 9.8% to 11.3%.

**Figure 38 – Adjusted Cost of equity calculation**

Cost of equity	Low	High
Risk-free rate	5.0%	5.0%
Market risk premium	6.0%	6.0%
Equity beta	0.85	1.10
SRP	0.0%	0.0%
<b>Cost of Equity</b>	<b>10.1%</b>	<b>11.6%</b>
<b>Guarantee Fee Rate</b>	<b>9.8%</b>	<b>11.3%</b>

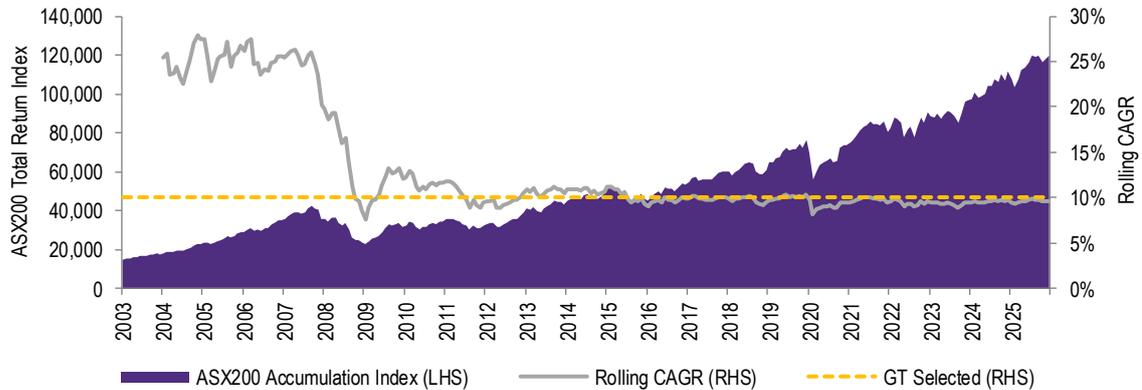
Source: GTCF analysis

- 10.6 At the same time, we note that the risk free rate is only one element of the total market return, with the equity market risk premium representing the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk free rate of return is earned. Empirical studies of the historical risk premium in Australia over periods of up to 100 years suggest the premium of c. 6.0%, which is in line with the consensus adopted among valuation practitioners.
- 10.7 In Figure 39, we have performed an analysis of the historical S&P ASX 200 accumulation index, which measures total returns generated by the ASX 200, which is a proxy for the total market return (i.e. risk free

<sup>42</sup> Based on the historical 10-year Australian government debt yield as shown in Figure 40.

rate plus market risk premium). Total returns generated by the ASX 200 since February 2003 equate to an average rolling CAGR of c. 10.04%<sup>43</sup>, which is not dissimilar to the 10.0% implied by our adopted risk free rate of 4.0%, and market risk premium of 6.0%.

**Figure 39 – Market risk premium analysis**



Source: GTCF analysis

- 10.8 We note, over the last c. 17 years, market return has remained mostly stable at c. 10.0%, including during periods such as the Covid-19 pandemic where base rates were at historical lows. Henceforward, we are of the opinion that it is not unreasonable to adopt a long-term market return of c. 10.0%.
- 10.9 Accordingly, assuming a stable market return around 10%, an increase in the risk-free rate may not necessarily result in an uplift in the total market return and hence the Guarantee Fee between 9.8% and 11.3% may still remain appropriate in conjunction with upwards movements of the risk free rate.
- 10.10 Accordingly, for the same reasons outlined in our fairness assessment of the Additional Guarantee in paragraph 9.9, we believe that the Guarantee Fee under the Extended Guarantee is commensurate to the risk taken by RFF of J&F defaulting and the Secured Assets not being sufficient to repay the Financiers.

### Conclusion – Additional resolution

- 10.11 Based on the above analysis, we conclude that the Extended Guarantee appears to be on arm's length basis and no financial benefits is provided to the related parties on the basis of no other material changes.

<sup>43</sup> Average CAGR starting from 2009

## 11. Sources of information, disclaimer and consents

### Sources of information

11.1 In preparing this Report Grant Thornton Corporate Finance has used various sources of information, including:

- Draft Notice of Meeting and Explanatory Memorandum dated 13 February 2026.
- RFM and RFF audited financial reports.
- Draft RFF 1HFY26 financial statements.
- RFF, J&F, and RFM budget FY26.
- ASX announcements by RFF.
- Baybrick Pty Ltd financial report for the year ending 31 December 2024.
- Baybrick Landco Pty Ltd financial report for the year ending 31 December 2024.
- Deed of Amendment – Common Terms, J&F Guarantee and Indemnity Deed.
- Deed of Amendment – Amendment of Syndicated Facility Agreement.
- Deed of Amendment – Cattle Purchase and Sale Agreement.
- Deed of Amendment – Cattle Management Services and Feeding Agreement.
- Existing Common Terms Deed, J&F Guarantee and Indemnity Deed.
- Existing Syndicated Facility Agreement.
- Existing Cattle Purchase and Sale Agreement & Grain Purchase and Sale Agreement
- Existing Cattle Management Services and Feeding Agreement.
- Existing Side Deed.
- Existing Cattle Management Services and Feeding Agreement & Grain Management Services Agreement.
- Existing Guarantee Agreement.
- Existing Deed of Novation and Assignment.
- Overview changes to existing legal documents.
- Financial model with calculation Guarantee Fee.
- IBISWorld industry reports.
- Other market and industry reports made publicly available by livestock and agriculture bodies.
- S&P Global (Capital IQ).
- Consensus Economics Forecasts.
- Various broker reports and independent expert's reports.
- Other publicly available information.

- 11.2 In preparing this Report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from Management of RFM.

### Limitations and reliance on information

- 11.3 This Report and opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time.
- 11.4 Grant Thornton Corporate Finance has prepared this Report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our Report. Nothing in this Report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.
- 11.5 This Report has been prepared to assist the Directors in advising the Non-Associated Unitholders in relation to the adjusted Guarantee facility. This Report should not be used for any other purpose. In particular, it is not intended that this Report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Additional Guarantee and Extended Guarantee is fair and reasonable to the Non-Associated Unitholders.
- 11.6 The Company has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

### Consents

- 11.7 Grant Thornton Corporate Finance consents to the issuing of this Report in the form and context in which it is included in the Explanatory Memorandum to be sent to the Non-Associated Unitholders. Neither the whole nor part of this Report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

## Appendix A – Valuation methodologies

### **Capitalisation of future maintainable earnings**

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future.

Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

### **Discounted future cash flows**

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

### **Orderly realisation of assets**

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

### **Market value of quoted securities**

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

### **Comparable market transactions**

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this

valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

## Appendix B – Cost of Equity Assessment

### Required rate of return on equity capital

We have used the CAPM, which is commonly used by practitioners, to calculate the required return on equity capital.

The CAPM assumes that an investor holds a large portfolio comprising risk-free and risky investments. The total risk of an investment comprises systematic risk and unsystematic risk. Systematic risk is the variability in an investment's expected return that relates to general movements in capital markets (such as the share market) while unsystematic risk is the variability that relates to matters that are unsystematic to the investment being valued.

The CAPM assumes that unsystematic risk can be avoided by holding investments as part of a large and well-diversified portfolio and that the investor will only require a rate of return sufficient to compensate for the additional, non-diversifiable systematic risk that the investment brings to the portfolio. Diversification cannot eliminate the systematic risk due to economy-wide factors that are assumed to affect all securities in a similar fashion.

Accordingly, whilst investors can eliminate unsystematic risk by diversifying their portfolio, they will seek to be compensated for the non-diversifiable systematic risk by way of a risk premium on the expected return. The extent of this compensation depends on the extent to which the company's returns are correlated with the market as a whole. The greater the systematic risk faced by investors, the larger the required return on capital will be demanded by investors.

The systematic risk is measured by the investment's beta. The beta is a measure of the co-variance of the expected returns of the investment with the expected returns on a hypothetical portfolio comprising all investments in the market - it is a measure of the investment's relative risk.

A risk-free investment has a beta of zero and the market portfolio has a beta of one. The greater the systematic risk of an investment the higher the beta of the investment.

The CAPM assumes that the return required by an investor in respect of an investment will be a combination of the risk-free rate of return and a premium for systematic risk, which is measured by multiplying the beta of the investment by the return earned on the market portfolio in excess of the risk-free rate.

Under the CAPM, the required nominal rate of return on equity ( $R_e$ ) is estimated as follows:

$$R_e = R_f + \beta_e (R_m - R_f)$$

Where:

- $R_f$  = risk free rate
- $\beta_e$  = expected equity beta of the investment
- $(R_m - R_f)$  = market risk premium

## Risk-free rate – 4.00%

In the absence of an official risk-free rate, the yield on government bonds (in an appropriate jurisdiction) is commonly used as a proxy. Accordingly, we have observed the yield on the 10-year Australian Government bond over several intervals from a period of 5 trading days to 20 trading years. In Figure 40 and Figure 41, respectively, we have set out the average yield on the 3-year and 10-year Australian Government Bond over the last 20 years.

**Figure 40 - Historical yields on the 10-year Australian Government Bond**

Australia Government Debt - 10 Year			
Valuation Date: January 15, 2026	Low	High	Average
Previous 5 trading days	4.69%	4.72%	4.71%
Previous 10 trading days	4.68%	4.82%	4.75%
Previous 20 trading days	4.68%	4.82%	4.75%
Previous 30 trading days	4.68%	4.82%	4.75%
Previous 60 trading days	4.13%	4.82%	4.47%
Previous 1 year trading	4.07%	4.82%	4.44%
Previous 2 years trading	3.82%	4.82%	4.32%
Previous 3 years trading	3.19%	4.96%	4.07%
Previous 5 years trading	1.03%	4.96%	2.99%
Previous 10 years trading	0.60%	4.96%	2.78%

Source: S&P Global

**Figure 41 - Historical yields on the 3-year Australian Government Bond**

Australia Government Debt - 3 Year			
Valuation Date: February 10, 2026	Low	High	Average
Previous 5 trading days	4.28%	4.33%	4.31%
Previous 10 trading days	4.21%	4.33%	4.27%
Previous 20 trading days	4.06%	4.33%	4.19%
Previous 30 trading days	4.04%	4.33%	4.18%
Previous 60 trading days	3.72%	4.33%	4.03%
Previous 1 year trading	3.23%	4.33%	3.78%
Previous 2 years trading	3.23%	4.33%	3.78%
Previous 3 years trading	2.81%	4.42%	3.61%
Previous 5 years trading	0.02%	4.42%	2.22%
Previous 10 years trading	0.02%	4.42%	2.22%

Source: S&P Global

Given the current volatility in the global financial markets around the world over the last year, as well as further economic and geopolitical turbulence, we have placed more emphasis on the average risk-free rate observed over a longer period of time. Accordingly, our adopted risk-free rate of 4.00% is based on the long-term yields on Australian 10-year government bonds.

## Market risk premium – 6.00%

The market risk premium represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk free rate of return is earned. However, given the inherent high volatility of realised rates of return, especially for equities, the market risk premium can only be meaningfully estimated over long periods of time. In this regard, Grant

Thornton studies of the historical risk premium over periods of 20 to 80 years suggest a risk premium of 6.0% for the Australia markets.

For the purpose of the WACC assessment, Grant Thornton Corporate Finance has adopted a market risk premium of 6.0%.

## Equity beta

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high degree of variation.

An equity beta includes the effect of gearing on equity returns and reflects the riskiness of returns to equity holders. However, an asset beta excludes the impact of gearing and reflects the riskiness of returns on the asset, rather than returns to equity holders. Asset betas can be compared across asset classes independent of the impact of the financial structure adopted by the owners of the business.

Equity betas are calculated from historical data. These are then used as a proxy for the future which assumes that the relative risk of the past will continue into the future. Therefore, there is no right equity beta and it is important not to simply apply historical equity betas when calculating the cost of equity.

For the purpose of the Report, we have had regard to the observed betas (equity betas) of comparable listed companies operating in agricultural industry. RFF is an agricultural A-REIT which is structured such that it is less exposed to agricultural risks. However, RFF will still be exposed to certain agricultural risks as its lessees are agricultural operators and processors.

**Figure 42 – 5 year monthly & 2 year weekly beta analysis**

Beta Analysis Company	5-Yr Monthly betas (local index)					2-Yr Monthly betas (local index)				
	Equity Beta	R <sup>2</sup>	Gearing Ratio (D:C)	Ungearred Beta	Adopted Beta	Equity Beta	R <sup>2</sup>	Gearing Ratio (D:C)	Ungearred Beta	Adopted Beta
<b>Agricultural stocks - Australia</b>										
Rural Funds Group	1.27	0.43	44.1%	0.80	0.80	0.51	0.10	52.3%	0.29	0.29
Treasury Wine Estates Limited	0.53	0.21	21.9%	0.44	0.44	1.18	0.21	29.6%	0.91	0.91
Inghams Group Limited	0.52	0.05	62.3%	0.24	Nmf	0.66	0.05	59.9%	0.32	Nmf
Elders Limited	0.73	0.06	26.1%	0.57	0.57	0.67	0.06	33.1%	0.48	0.48
Select Harvests Limited	0.12	0.08	40.6%	0.08	0.08	1.19	0.08	37.5%	0.83	0.83
Australian Agricultural Company Limited	(0.11)	0.00	33.5%	(0.08)	Nmf	(0.04)	0.00	36.9%	(0.03)	Nmf
Ridley Corporation Limited	0.53	0.18	15.8%	0.46	0.46	1.17	0.18	12.1%	1.06	1.06
Australian Vintage Ltd	0.15	0.00	67.0%	0.05	Nmf	0.16	0.00	83.4%	0.04	Nmf
Australian Dairy Nutritionals Limited	(0.45)	0.00	7.6%	(0.43)	Nmf	0.36	0.00	3.8%	0.35	Nmf
Wingara AG Limited	1.07	0.01	51.6%	0.46	Nmf	0.95	0.01	27.3%	0.75	Nmf
<b>Median - Australian agriculture</b>	<b>0.52</b>	<b>0.05</b>	<b>33.5%</b>	<b>0.24</b>	<b>0.45</b>	<b>0.67</b>	<b>0.05</b>	<b>33.1%</b>	<b>0.48</b>	<b>0.87</b>
<b>Average - Australian agriculture</b>	<b>0.34</b>	<b>0.07</b>	<b>36.3%</b>	<b>0.20</b>	<b>0.39</b>	<b>0.70</b>	<b>0.07</b>	<b>35.9%</b>	<b>0.52</b>	<b>0.82</b>

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global as at 10 February 2026. The betas are based on a five-year period with monthly observations as well as two-year period with weekly observations both based on the local index. Betas have been ungeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). Betas have been regearred based on the assumed regearing ratio of 35% which corresponds with the high end of RFF's target gearing ratio. We note that comparable companies have gearing ratios between 30% to 40%. 2) Some betas are not statistically significant, denoted as "nmf", therefore we have not relied upon them.

It should be noted that the above betas are drawn from the actual and observed historical relationship between risk and returns. From these actual results, the expected relationship is estimated generally on the basis of extrapolating past results. Despite the precise nature of the calculations, it is important to assess their commercial reasonableness, as well as to assess how closely the observed relationship is likely to deviate from the expected relationship.

Consequently, while measured equity betas of the listed comparable companies provide useful benchmarks against which the equity beta used in estimating the cost of equity, the selection of an unsystematic equity beta requires a level of judgement.

The asset betas of the selected companies are calculated by adjusting the equity betas for the effect of gearing to obtain an estimate of the business risk of the comparable companies, a process commonly referred as de-gearing. We have then recalculated the equity beta based on an assumed 'optimal' capital structure deemed appropriate for the business (re-gearing). This is a subjective exercise, which carries a significant possibility of estimation error.

We used the following formula to undertake the de-gearing and re-gearing exercise:

$$\beta_e = \beta_a \left[ 1 + \frac{D}{E} \times (1 - t) \right]$$

Where:

- $\beta_e$  = Equity beta
- $\beta_a$  = Asset beta
- $t$  = corporate tax rate

The betas are de-gearred using the average historical gearing levels of those respective companies over several years. We note that most comparable companies had gearing positions of c. 35%. We then re-gearred based on a target gearing ratio of 35% debt.

For the purposes of our valuation, we have selected an equity beta range of between 0.85 and 1.10 to calculate the required rate of return on equity capital.

### Specific risk premium

The SRP represents the additional return an investor expects to receive to compensate for country, size and project related risks not reflected in the beta of the observed comparable companies.

### Discount rate summary

All the above results in our assessed cost of equity range summarised in the below table.

**Figure 43 – Cost of equity assessment**

Cost of equity	Low	High
Risk-free rate	4.00%	4.00%
Market risk premium	6.0%	6.0%
Equity beta	0.85	1.10
SRP	0.0%	0.0%
<b>Cost of Equity</b>	<b>9.1%</b>	<b>10.6%</b>

Source: GTCF Analysis

## Appendix C – Comparable companies

Company	Business description
Rural Funds Group	Rural Funds Group is an agricultural Real Estate Investment Trust (REIT) listed on the ASX under the code RFF. RFF owns a diversified portfolio of Australian agricultural assets which are leased predominantly to corporate agricultural operators. RFF targets distribution growth of 4% per annum by owning and improving farms that are leased to good counterparties. RFF is a stapled security, incorporating Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805).
Treasury Wine Estates Limited	Treasury Wine Estates Limited operates as a wine company in Australia, the United States, the United Kingdom, and internationally. The company engages in the viticulture and winemaking, as well as marketing, sale, and distribution of wine. Its wine portfolio includes brands, such as Penfolds, DAOU Vineyards, 19 Crimes, Drop of Sunshine, Frank Family Vineyards, Wolf Blass, St Hubert's The Stag, Matua, Lindeman's, Squealing Pig, Blossom Hill, Pepper Jack, Wynns, Seppelt, Beringer, Etude, Sterling Vineyards, Beaulieu Vineyard, Stags' Leap, Beringer Bros, and Castello di Gabbiano. The company also provides contract bottling services to third parties. In addition, it is involved in the sale of grape and bulk wine, as well as ownership and leasing of vineyards. The company markets and sells its products to distributors, wholesalers, retail chains, independent retailers, and on-premises outlets, as well as directly to consumers. Treasury Wine Estates Limited was founded in 1843 and is headquartered in Melbourne, Australia.
Inghams Group Limited	Inghams Group Limited, together with its subsidiaries, engages in the production and sale of chicken and turkey products under the Ingham's brand primarily in Australia and New Zealand. It also offers stockfeed for poultry and pig industries. The company was founded in 1918 and is based in North Ryde, Australia.
Elders Limited	Elders Limited engages in the provision of agricultural products and services to rural and regional customers primarily in Australia. It operates through Branch Network, Wholesale Products, and Feed and Processing Services segments. The company supplies rural farm inputs, such as seeds, fertilizers, agricultural chemicals, animal health products, and general rural merchandise, as well as professional production and cropping advisory services; and provides retail services through corporate owned stores and through the Ag, Horse, and Pet brand names to independently owned member stores. The company also provides on-farm sales to third parties, regular physical, and online public livestock auctions, as well as directly sells through its owned and third-party feedlots and livestock exporters; agency services for the sale of greasy wool and grain; and brokering services for wool growers. In addition, it markets residential properties, agricultural land, lifestyle estates, and commercial real estate; residential property management and commercial asset management services; and water broking. Further, the company provides a range of banking and insurance products and services; and operates AuctionsPlus, an online livestock auction platform. Additionally, it is involved in grain-fed distribution, beef grass-fattening operations, cow manure processing, and irrigated corn production activities. The company was founded in 1839 and is headquartered in Adelaide, Australia.
Select Harvests Limited	Select Harvests Limited engages in the growing, processing, packaging, and selling of almonds and its by-products in Australia. The company supplies blanched, roasted, sliced, diced, meal and paste almond products. It also grows, processes, and value-adds to almonds from owned and leased almond orchards, as well as holds a portfolio of approximately 9,066 hectares of almond orchards located in Victoria, New South Wales, and South Australia. In addition, the company exports its products to Asia, Europe, and the Middle East. It serves beverage, bakery, confectionery, cereal, snacking, health, dairy, re-packers, and wholesalers sectors. The company was incorporated in 1969 and is headquartered in Richmond, Australia.
Australian Agricultural Company Limited	Australian Agricultural Company Limited engages in the production of cattle and beef in Australia. The company is involved in production of beef, including breeding, backgrounding, and feedlotting; sales and marketing beef into global markets; and ownership, operation, and development of pastoral properties. It provides its products under the Westholme and the Darling Downs brands. The company also exports its products. Australian Agricultural Company Limited was founded in 1824 and is based in Newstead, Australia.
Ridley Corporation Limited	Ridley Corporation Limited, together with its subsidiaries, engages in the provision of animal nutrition solutions in Australia the United States, New Zealand, and Thailand. It operates through two segments, Packaged Feeds and Ingredients, and Bulk Stockfeeds. The company provides aqua feeds, bulk ruminant stockfeeds, bulk monogastric stockfeeds, animal proteins and oils, and commodities; and NovaqPro, as well as engages in specialty products distribution. It also engages in the retail of animal feeds. Ridley Corporation Limited was incorporated in 1987 and is headquartered in Melbourne, Australia.

Company	Business description
Australian Vintage Ltd	<p>Australian Vintage Ltd, together with its subsidiaries, produces, packages, markets, and distributes wine in Australia, New Zealand, the United Kingdom, Europe, the Americas, Asia, and internationally. The company offers wine under the Barossa Valley Wine Company, Chateau Marmalade, CTZN, Poco Vino, McGuigan, Lemsecco, Nepenthe, Not Guilty, Passion Pop, Tempus Two, The Butcher's Cellar, The Shy Pig, Kilkenny Cream, Mr Stubbs, and Tempus One brand names. It also engages in the growing of grapes; sale of concentrate and commercial products; and sells alcoholic and non-alcoholic wine, and other beverages. It sells its products through retail, wholesale, and distribution channels. The company was formerly known as McGuigan Simeon Wines Ltd. and changed its name to Australian Vintage Ltd in February 2008. Australian Vintage Ltd was incorporated in 1991 and is headquartered in Cowandilla, Australia.</p>
Australian Dairy Nutritional Limited	<p>Australian Dairy Nutritionals Limited, together with its subsidiaries, operates as an integrated producer of dairy products in Australia and internationally. It operates in two segments, Nutritional Powders and Dairy Farms. The company processes and sells dairy and nutritional products to domestic and international markets. It also owns and operates dairy farms and dairy livestock for the production and sale of fresh raw milk for conversion to milk and milk products. In addition, the company offers organic infant formula, and nutritional and customized specialty dairy powders under the future and Ocean Road Dairies brands. Australian Dairy Nutritionals Limited was incorporated in 1992 and is based in Camperdown, Australia.</p>
Wingara AG Limited	<p>Wingara AG Limited engages in processing, storage, and marketing agricultural products in Australia. The company offers oaten hay and other fodder products. It also exports its products to Asia. The company was formerly known as Biron Apparel Limited and changed its name to Wingara AG Limited in January 2016. Wingara AG Limited is headquartered in Epsom, Australia.</p>

## Appendix D – Glossary

'000 or k	Thousands
1HFYxx	First half of the financial year ending 31 December 20xx
A\$ or \$	Australian Dollar
AASB	Australian Accounting Standards Board
ABARES	Australian Bureau and Resource Economics and Sciences
ACT	Australian Capital Territory
Additional Guarantee	J&F's intention to seek to enter into an agreement with Financiers to increase the Finance Facilities by up to A\$68.0 million.
ALFA	Australian Lot Feeders Association
ANZ	Australia and New Zealand Banking Group Limited
April 2020 Guarantee	The 14 April 2020 increase to the Initial Guarantee to a total of A\$100.0 million.
ASIC	Australian Securities and Investments Commission
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Baybrick	Baybrick Pty Limited
BBSY	Bank Bill Swap Bid Rate
BIL	Barossa Infrastructure Ltd
BOM	Bureau of Meteorology
CAGR	Compound Annual Growth Rate
Call Option	The option held by JBS to buy the Feedlots at year 10 for the original purchase price indexed at CPI. This includes a provision that the call can be exercised from year 6 at the expense of incurring a break fee of A\$2 million.
CAPM	Capital Asset Pricing Model
Cattle Agreements	CMSFA and CPSA between JBS and J&F
CICL	Coleambally Irrigation Co-operative Limited
CMSFA	Cattle Management Services and Feeding Agreement
Condition	The condition whereby the Second Tranche Additional Guarantee will be conditional on asset sales of c. A\$80 million following the implementation of the First Tranche Additional Guarantee.
Corporations Act	Corporations Act, 2001 (Cth)
CPI	Consumer Price Index applicable to the property location, published by the Australian Bureau of Statistics
CPSA	Cattle Purchase and Sale Agreement
Current Guarantee	The 4 February 2022 increase to the April 2020 Guarantee to a total of A\$132.0 million.
DCF	Discounted Cash Flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EM	Explanatory Memorandum
Facilities Deed of Amendment	Deed of amendment to enact the increase in Finance Facilities
Feedlots	JBS' five owned feedlots (i.e. Beef City, Caroona, Mungindi, Prime City and Riverina Beef), as well as the additional contracted cattle feedlots added by the Current Guarantee including: Sapphire, Smithfield, Yambinya, Dingo Park, Condabri, and Yarramildi. The amended finance facility to be provided by the Financiers to J&F, subject to approval of the increase in limit on the Existing Guarantee, comprising a total limit of up to A\$666.7 million consisting of a:
Finance Facilities	Up to A\$308 million working capital facility due in August 2026 (stage 1) Up to A\$132 million cash advance facility due in August 2026 (stage 2) A\$5 million overdraft facility (stage 1)
Financiers	A major Australian bank (ANZ) and specialist agri-business lender (Rabobank)
First Tranche Additional Guarantee	First stage of the Additional Guarantee whereby Unitholder approval will be first sought to initially increase the Current Guarantee by A\$28.0 million to A\$160.0 million.
FSG	Financial Services Guide
FYxx	Financial year ending 30 June 20xx

GMSA	Grain Management Services Agreement
GPSA	Grain Purchase and Sale Agreement
Grain Agreements	GMSA and GPSA between JBS and J&F
Grain Sites	The current group of contracted grain feed sites under the Grain Agreements including Balpool Feedmill, Corowa Bunker Site, Malthouse Corowa, Oxdale Feedmill, Baker Grain, Coreen, and Blairs Produce.
Grant Thornton Corporate Finance or GTCF	Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 AFSL 247140
GST	Goods and Services Tax
Guarantee Deed of Amendment	Deed of amendment in relation to increasing the Current Guarantee from A\$132 million by the Additional Guarantee of A\$68 million for a total of A\$200 million.
Guarantee Fee (Rate)	The Guarantee Fee is a sliding fee based on the facility balance and is payable to RFF by J&F at an agreed rate based on the Guarantee Fee Coupon Rate. The Guarantee Fee Coupon Rate does not include insurance costs and J&F interest costs on the Cash Advance Facility or any cash held as collateral.
Guarantee Fee Coupon Rate	The Guarantee Fee Coupon Rate varies between 9.8% and 11.3% and is net of the RFM Management Fee.
Guarantee Term Extension	A resolution outlined in the NOM and EM under which RFM, as responsible entity of RFF, is seeking approval from the Unitholders of Rural Funds Trust and RF Active to extend the term of the Guarantee for a period of up to ten years to 2038.
Lease Guarantors	JBS Australia Pty Ltd, Baybrick Pty Ltd and Baybrick Landco Pty Ltd
Ha	Hectares
Independent Directors	Independent directors of RFM
Independent Expert	Grant Thornton Corporate Finance
Initial Guarantee	RFF initially provided a A\$75 million limited guarantee to J&F for second rank security behind the Financiers on the Secured Assets of J&F in August 2018.
J&F	J&F Australia Pty Ltd
J&F Cattle	All cattle in the Feedlots owned by J&F
J&F Grain	All grain in the Grain Sites owned by J&F
JBS	JBS Australia Pty Ltd
JBS Arrangements	the arrangements between J&F and JBS consisting of the CMSFA, CPSA, GMSA, and GPSA.
JBS Pork	JBS Pork Australia Pty Ltd (previously Rivalea)
JBS N.V.	JBS N.V. (previously JBS S.A.) is a dual listed company trading on the New York Stock Exchange and São Paulo Stock Exchange.
Lamb Agreements	LMSFA and LPSA between JBS and J&F. As at the date of this report, drafting of the Lamb Agreements is incomplete and the agreements have not yet been reviewed by JBS.
Landco	Baybrick Landco Pty Ltd
LMSFA	Lamb Management Services and Feeding Agreement
LPSA	Lamb Purchase and Sale Agreement
MRP	Market risk premium
NFAS	National Feedlots Accreditation Scheme
NLIS	National Livestock Identification System
NOM	Notice of Meeting
Non-Associated Unitholders	Unitholders of RFF not associated with RFM
NSW	New South Wales
Olam	Olam Orchards Australia Pty Ltd
pcp	Prior comparable period
PPSA	Personal Property Securities Act
Proposed Transaction	RFF has elected to seek Non-Associated Unitholders approval to increase the Current Guarantee by up to A\$68 million to a maximum of A\$200 million.
QLD	Queensland
Rabobank	Coöperatieve Rabobank U.A., Australia Branch
REIT	Real Estate Investment Trust
Report	Independent Expert's Report by Grant Thornton
RF Active	RF Active ARSN 168 740 805

RFF or the Group	Rural Funds Group, a stapled group comprising Rural Funds Trust ARSN 122 951 578 RF Active ARSN 168 740 805
RFF Unitholders	Unitholders of RFF
RFF-Owned Feedlots	The five feedlots acquired from JBS under the Sale and Leaseback transaction.
RFM	Rural Funds Management Limited ACN 077 492 838, responsible entity of four investment funds, of which RFF is the largest fund under management.
RFM Management Fee	A fee paid to RFM calculated as a percentage on the Guarantee with a maximum of 1.05% at full utilisation, to a minimum of 0.91%.
RFT	Rural Funds Trust ARSN 122 951 578
RG 112	ASIC Regulatory Guide 76 "Independence of Expert's Reports"
RG 76	ASIC Regulatory Guide 76 "Related Party Transactions"
SA	South Australia
Sale and Leaseback	The acquisition of the Feedlots for A\$52.7 million from JBS and subsequent 10-year triple net lease with CPI indexation to JBS
Second Tranche Additional Guarantee	Second stage of the Additional Guarantee whereby Unitholder approval will be sought to further increase the Current Guarantee in addition to the First Tranche Additional Guarantee by A\$40.0 million to A\$200.0 million.
Secured Assets	J&F assets primarily consisting of the cattle and grain on the Feedlots
Security	Second ranking security behind the Financiers on J&F assets
SHV	Select Harvest Limited
SRP	Specific risk premium
the Guarantee or Bank Guarantee	The Current Guarantee and Additional Guarantee whereby the guarantee is increased to maximum of A\$200 million.
the Extended Guarantee	The Guarantee and the Guarantee Term Extension
TRG	The Rohatyn Group
TWE	Treasury Wine Estates Limited
VIC	Victoria
WACC	Weighted average cost of capital
WALE	Weighted Average Lease Expiry

## 6. Notice of Meetings

Rural Funds Group comprising  
Rural Funds Trust ARSN 112 951 578 and  
RF Active ARSN 168 740 805

Rural Funds Management Limited (**RFM**), as responsible entity and manager of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 collectively referred to as Rural Funds Group (**RFF**), gives notice that Meetings of the Unitholders of Rural Funds Trust and RF Active (**Meetings**) will be held as follows:

Time: 11.00am (AEDT)

Date: Thursday, 2 April 2026

Place: Rural Funds Management Limited, Level 2, 2 King Street Deakin ACT 2600

### **BUSINESS OF THE MEETING**

#### **Resolution 1: Approval of the First Tranche Additional Guarantee**

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

'That for the purposes of ASX Listing Rule 10.1 and for all other purposes, the Unitholders of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 (RFF) approve and authorise Rural Funds Management Limited (RFM), as responsible entity of RFF, to amend existing agreements with J&F Australia Pty Ltd, a wholly owned subsidiary of RFM, to allow an additional \$28.0 million Guarantee, bringing the total Guarantee limit amount to \$160.0 million, as described in the Explanatory Memorandum accompanying the notice of meetings.'

#### **Resolution 2: Approval of the Second Tranche Additional Guarantee**

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

'That for the purposes of ASX Listing Rule 10.1 and for all other purposes, the Unitholders of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 (RFF) approve and authorise Rural Funds Management Limited (RFM), as responsible entity of RFF, to amend existing agreements with J&F Australia Pty Ltd, a wholly owned subsidiary of RFM, to allow an additional \$40.0 million Guarantee, bringing the total Guarantee limit amount to \$200.0 million, conditional on asset sales of \$80.0 million, as described in the Explanatory Memorandum accompanying the notice of meetings.'

#### **Resolution 3: Approval of the Guarantee Term Extension**

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

'That for the purposes of ASX Listing Rule 10.1 and for all other purposes, the Unitholders of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 (RFF) approve and authorise Rural Funds Management Limited (RFM), as responsible entity of RFF, to amend existing agreements with J&F Australia Pty Ltd, a wholly owned subsidiary of RFM, to extend the term of the Guarantee for a period of up to ten years as described in the Explanatory Memorandum accompanying the notice of meetings.'

#### Resolution 4: Approval of the Constitutional Change

To consider and, if thought fit, to pass, with or without amendment, the following as a special resolution:

‘That the constitutions of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 be amended in the manner described in the Explanatory Memorandum accompanying the notice of meetings.’

**Independent Expert’s Report:** Unitholders should carefully consider the Independent Expert’s Report contained in Section 5 of this Explanatory Memorandum. The Independent Expert, Grant Thornton Corporate Finance Pty Ltd, has concluded that in respect of the Non-Associated Unitholders of RFF, and under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act:

- the Guarantee is fair and reasonable;
- the First Tranche Additional Guarantee is fair and reasonable in the event that the Second Tranche Additional Guarantee is not approved; and,
- the Term Extension is fair and reasonable.

By order of the Board



**Emma Spear**  
Company Secretary  
Rural Funds Management Limited

## **Voting exclusion statement**

ASX Listing Rules, and the Corporations Act, provide that RFM must disregard any votes cast on a Resolution by or on behalf of:

- the person disposing of the substantial asset to, or acquiring the substantial asset from, RFF and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity); and,
- an associate of any such person.

Accordingly, RFM will disregard any votes cast on Resolution 1, Resolution 2 and Resolution 3 by Rural Funds Management Limited and any of its associates.

However, this does not apply to a vote cast on a Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on a resolution in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on a resolution, in accordance with a direction given to the Chair to vote on a resolution as the Chair decides; or,
- a Unitholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the Unitholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on a resolution; and,
  - the Unitholder votes on the resolution in accordance with the directions given by the beneficiary to the Unitholder to vote in that way.

## **Quorum**

The quorum for a meeting of members of Rural Funds Trust or RF Active is two Unitholders, in person or by proxy, at all times during the meeting.

## **Entitlement to vote**

The Board of RFM has determined that persons registered as Unitholders of Units as at 7.00pm (AEDT) on Wednesday, 1 April 2026 will be entitled to attend and vote at the Meetings (subject to any applicable voting exclusion).

## **Votes to be disregarded**

Under section 253E of the Corporations Act, the responsible entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's members if they have an interest in the Resolution or matter other than as a member. The responsible entity and its associates may vote as proxies if their appointment specifies the way they are to vote, and they vote that way. In any case RFM and its associates will not be entitled to vote on Resolution 1, Resolution 2 and Resolution 3 by virtue of the voting exclusion noted above. RFM and its associates are permitted to vote on Resolution 4.

## **Majority required**

Resolution 1, Resolution 2 and Resolution 3 are ordinary resolutions. They will be passed if more than 50% of the votes cast by Unitholders entitled to vote on the resolution are in favour.

Resolution 4 is a special resolution. It will be passed if more than 75% of the votes cast by Unitholders entitled to vote on the resolution are in favour.

## **Jointly held stapled securities**

If a Unit in Rural Funds Trust is held jointly and more than one Unitholder votes in respect of that interest, only the vote of the Rural Funds Trust Unitholder whose name appears first in the register of Rural Funds Trust members counts. Similarly, if a Unit in RF Active is held jointly and more than one RF Active Unitholder votes in respect of that interest, only the vote of RF Active Unitholder whose name appears first in the register of RF Active members counts.

## Voting procedure

Voting on the Resolutions will be on a poll (rather than a show of hands). Unitholders who are entitled to vote on the Resolutions will have one vote for each dollar value of the value of the total interests they have in RFF.

A Unitholder entitled to two or more votes does not have to exercise their votes in the same way and does not have to cast all their votes.

## Voting

You can ensure your vote is cast in one of two ways:

- attending the Meetings and voting in person, or, if you are a corporate Unitholder, by a corporate representative voting for you; or
- appointing a proxy to attend and vote for you, using the enclosed Proxy Form and lodging your Proxy Form under the procedures described under "Proxy forms and voting" below.

## Proxies

If a Unitholder is unable to attend the Meetings, the Unitholder may appoint a person (either an individual or body corporate) or the Chair of the Meetings to act as their proxy at the Meetings by completing the Proxy Form accompanying the Notice of Meetings.

Rural Funds Management Limited has appointed Ms Trudi Procter of Baker McKenzie to Chair the Meetings. Ms Procter, as Chair of the Meetings, has indicated she intends to vote all undirected proxies in favour of the Resolutions. If a Unitholder appoints a body corporate as their proxy, the proxy will need to appoint an individual to act as its representative at the Meetings and send the authority to the Registry by 11.00am (AEDT) on Tuesday, 31 March 2026 or give it by hand when registering as a corporate representative.

If a Unitholder appoints two proxies, the Unitholder may specify the proportion or number of votes each proxy holder is entitled to exercise.

Where two proxies are appointed, and the appointment does not specify the proportion or number of the Unitholder votes, each proxy may exercise half of the votes. A proxy need not be a Unitholder.

Unless the proxy is required by law to vote, the proxy may decide whether or not to vote on any particular item of business. If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. Any undirected proxies on the Resolutions may be voted by the appointed proxy as they choose, subject to the voting exclusions set out above.

## Proxy forms and voting

The Proxy Form that accompanies this Notice of Meetings includes instruction on how to vote and appoint a proxy. To ensure that all Unitholders can exercise their right to vote on the Resolutions, a Proxy Form is enclosed.

Proxy Forms should be completed and returned by no later than 11.00am (AEDT) on Tuesday, 31 March 2026.

The Proxy Form can be lodged as follows:

- online at: <https://www.votingonline.com.au/rffgm2026>
- by mail and posting it to: **Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia**
- in person: **Boardroom Pty Limited, Level 8, 210 George Street, Sydney NSW 2000 Australia**
- by emailing it to: [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au)
- by smart phone: **by scanning the QR code on the Proxy Form and following the instructions.**

## **Power of Attorney**

To sign under power of attorney, you must lodge the power of attorney with the Registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to your Proxy Form when you return it.

## **Companies**

Where a company has a sole director who is also the sole company secretary, the Proxy Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone.

Otherwise the Proxy Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

## **Corporate representatives**

A corporate investor wishing to appoint a person to act as its representative at the Meetings must provide that person with an authority executed in accordance with the Corporations Act authorising him or her to act as the company's representative. The authority must be sent to the Registry by 11.00am (AEDT) on Tuesday, 31 March 2026 or given by hand at the Meetings when registering as a corporate representative.

A form of "Certificate of Appointment of Corporate Representative" may be obtained from the Registry. A corporate Unitholder may appoint a proxy.

## **Registration**

Registration will commence at 10.30am (AEDT) on the day of the Meetings, with the Meetings scheduled to begin at 11.00am (AEDT) on Thursday, 2 April 2026. For ease of registration, please bring your Proxy Form to the Meetings (as lodged prior to the Meetings).

## 7. Glossary

Term	Definition
<b>Additional Guarantee</b>	An increase of \$68.0 million to the Current Guarantee
<b>AEDT</b>	Australian Eastern Daylight Time
<b>AFFO</b>	Adjusted funds from operations
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial market operated by that entity known as the Australian Securities Exchange
<b>ASX Listing Rules or Listing Rules</b>	The official listing rules of ASX Limited
<b>Condition</b>	Asset sales of \$80.0 million, a pre-condition to implementation of the Second Tranche Additional Guarantee
<b>Constitutional Change</b>	Proposed change to the Constitutions of Rural Funds Trust and RF Active relating to the attribution of income. See section 4.19 for further information.
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Current Guarantee</b>	The limited guarantee, approved up to \$132.0 million, provided by RFF to J&F which enables JBS to replace a prior arrangement for the supply of cattle to its grainfed business
<b>DPU</b>	Distributions per Unit
<b>Explanatory Memorandum</b>	This document which sets out the notice of meetings and explanatory memorandum for the Guarantee and Constitutional Change for RFF Unitholders
<b>FY25</b>	The financial year ended 30 June 2025
<b>FY26</b>	The financial year ending 30 June 2026
<b>Feedlots</b>	The: <ul style="list-style-type: none"> <li>• RFF-owned feedlots;</li> <li>• additional JBS-owned or contracted feedlots; and,</li> <li>• grain used by JBS for feed milling for livestock</li> </ul>
<b>First Tranche Additional Guarantee</b>	An increase of \$28.0 million to the Current Guarantee
<b>Guarantee</b>	A limited guarantee, currently approved at \$132.0 million and proposed to increase by \$68.0 million to a total of up to \$200.0 million, provided by RFF to J&F
<b>Guarantee Fee</b>	The monthly fee payable by J&F to RFF for provision of the Guarantee
<b>HY26</b>	The half year ended 31 December 2025
<b>Independent Expert</b>	Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, AFSL 247140)
<b>Independent Expert's Report</b>	The report produced by the Independent Expert and contained in section 5
<b>Initial Guarantee</b>	The \$75.0 million limited guarantee, first provided by RFF to J&F in August 2018
<b>JBS</b>	JBS Australia Pty Limited and, in relation to grain, JBS Pork Australia Pty Ltd, both wholly owned subsidiaries of Baybrick Pty Ltd; Baybrick Pty Ltd is a subsidiary of JBS N.V.
<b>JBS Arrangements</b>	The arrangements between JBS and J&F in relation to the Feedlots and the supply of cattle and grain (and in time, lambs)
<b>J&amp;F</b>	J&F Australia Pty Ltd (ABN 72 150 917 285), a special purpose vehicle, wholly owned subsidiary of RFM, and RFF's counterpart to the Guarantee
<b>LVR or Loan to Value Ratio</b>	A bank covenant calculated as bank debt and the actual Guarantee divided by tangible assets (including water entitlement), expressed as a percentage

<b>Term</b>	<b>Definition</b>
<b>Meetings</b>	The meetings of Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805) to consider the Resolutions at 11.00am (AEDT) on Thursday, 2 April 2026 at the offices of Rural Funds Management Limited, Level 2, 2 King Street, Deakin ACT 2600
<b>Proxy Forms</b>	The form that accompanies this Explanatory Memorandum which provides for Unitholders to give voting instructions and appoint proxies for the Meetings
<b>Resolutions</b>	The resolutions being put to Unitholders at the Meetings, being: <ul style="list-style-type: none"> <li>▪ the First Tranche Additional Guarantee resolution (Resolution 1); and,</li> <li>▪ the Second Tranche Additional Guarantee resolution (Resolution 2);</li> <li>▪ the Term Extension resolution (Resolution 3); and,</li> <li>▪ the Constitutional Change resolution (Resolution 4)</li> </ul>
<b>RF Active</b>	RF Active (ARSN 168 740 805), which with Rural Funds Trust (ARSN 112 951 578) forms Rural Funds Group (ASX:RFF)
<b>RFF</b>	Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805) trading as Rural Funds Group (ASX:RFF)
<b>RFM</b>	Rural Funds Management Limited (ACN 077 492 838, AFSL 226 701)
<b>Rural Funds Trust</b>	Rural Funds Trust (ARSN 112 951 578), which with RF Active (ARSN 168 740 805) forms Rural Funds Group (ASX:RFF)
<b>Second Tranche Additional Guarantee</b>	An increase in the Guarantee from \$160.0 million to up to \$200.0 million and may be implemented in increments, proportional to asset sales, up to the maximum total Guarantee. There is no guarantee the Second Tranche Additional Guarantee will be utilised in full.
<b>Term Extension</b>	An extension of the term of the Guarantee for a further period of up to ten years (and may be in shorter increments) assuming no material change to terms
<b>Unitholder</b>	The registered holder of a Unit
<b>Unit</b>	A fully paid ordinary unit in Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805)

**Rural Funds Management Limited**

**ABN 65 077 492 838**

**AFSL 226 701**

Level 2, 2 King Street Deakin ACT 2600

PO Box 347 Curtin ACT 2605

T 1800 026 665

W [www.ruralfunds.com.au](http://www.ruralfunds.com.au)

E [investorservices@ruralfunds.com.au](mailto:investorservices@ruralfunds.com.au)

 LinkedIn  Facebook  YouTube

**Rural Funds Group**

ASX:  
RFF

Managed by:

 Rural  
Funds  
Management

Managing good assets with good people

## All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDT) on Tuesday, 31 March 2026.**

### 🖥 TO APPOINT A PROXY ONLINE

### 📱 BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/rffgm2026>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the Fund. Do not write the name of the issuer Fund or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Fund's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form, state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Fund's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** this form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (AEDT) on Tuesday, 31 March 2026.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid envelope or:

🖥 **Online** <https://www.votingonline.com.au/rffgm2026>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000 Australia

@ **Email Address** [proxy@boardroomlimited.com.au](mailto:proxy@boardroomlimited.com.au)

#### Attending the Meeting

If you wish to attend the meeting, please bring this form with you to assist registration.

**Rural Funds Group**

Comprising:

Rural Funds Trust ARSN 112 951 578 and  
RF Active ARSN 168 740 805 (Fund)

**Your Address**

This is your address as it appears on the Fund's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 (Fund) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Fund to be held at the offices of Rural Funds Management Limited, Level 2, 2 King Street, Deakin ACT 2600 on Thursday, 2 April 2026 at 11:00am (AEDT) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of the First Tranche Additional Guarantee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the Second Tranche Additional Guarantee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the Guarantee Term Extension	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Constitutional Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2026