

ASX release

1H25 financial results summary

21 February 2025

Rural Funds Management Limited (RFM) today released the Rural Funds Group (ASX: RFF, the Group) Financial Statements for the half-year ended 31 December 2024 (1H25) as summarised below.

Financial results summary¹

- **Net property income increased 17.3%**, or \$6.7m to \$45.5m, primarily due to additional rental income earned on macadamia developments.
- **Adjusted funds from operations (AFFO) of 5.73 cents per unit (cpu)** in line with full-year forecasts.
- **Distributions per unit (DPU)** of 5.87 cents in line with forecasts.
- **Adjusted net asset value (NAV) decreased 1.2%**, or \$0.04 to \$3.10 per unit, primarily due to revaluations of interest rate swaps.
- **Increased syndicated debt facility limit providing funding for committed capex**, being primarily for the completion of the 3,000ha macadamia developments leased to TRG JV.²
- **Full year FY25 forecasts reaffirmed:**
 - **AFFO** of 11.4 cpu
 - **Distributions** of 11.73 cpu.
- **FY26 forecast distributions of 11.73 cpu.**

Portfolio and strategy update

Leasing activity during the period for eight properties with a total asset value of \$119m for a weighted average term of 9.7 years³, including cropping properties Mayneland and Baamba Plains leased to TRG JV, lease extensions secured over five vineyards, leased to Treasury Wine Estates (ASX: TWE), and the cattle property Cerberus leased to a private farming enterprise.

Other unleased assets within the Group continue to be developed, the majority of which are providing an operating return during this phase. Operating conditions have improved for various commodities across this segment in the portfolio, contributing to a positive net farming income result for the period.

Developments are fully funded through bank debt facility headroom of \$155.9m, compared to committed capex \$104.6m (2H25 and FY26). Additional asset sales have been identified to reduce gearing towards target range of 30-35%.

¹ Comparisons are to 1H24, unless otherwise stated.

² Joint venture between TRG (The Rohatyn Group) and a global institutional investor.

³ Weighted average term and extension period calculated by 31 December 2024 property value.

Portfolio highlights

- **Provides exposure to a defensive property sector (food production):** with inflationary hedge characteristics.
- **Quarterly distributions:** March, June, September and December.
- **Long WALE:** 13.0 years with leases predominantly triple-net structure.
- **Diversification:** 64 properties across five agricultural sectors and multiple climatic zones.
- **Quality lessees:** approx. 79% of FY25f income from corporate and institutional lessees.
- **Structural rental growth:** Mix of lease indexation mechanisms and market rent reviews.
- **Development and leasing pipeline:** Productivity improvements and conversion to higher and better use development opportunities.

Results webinar

A financial results webinar will be held today at 11:00AM AEDT. Those wishing to attend the webinar will need to register via the link below:

<https://webcast.openbriefing.com/rff-hyr-2025/>

A recording of the webinar will be made available on the RFM website.

For questions, please contact Investor Services by calling 1800 026 665 or via email at investorservices@ruralfunds.com.au.

Rural Funds Group (ASX: RFF)

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).

Rural Funds Management Limited (RFM)

Rural Funds Management Limited is the responsible entity and manager of RFF. RFM is an agricultural fund and asset manager established in 1997. The management team includes specialist fund managers, finance professionals, horticulturists, agronomists and other agricultural managers. RFM's company culture is informed by its long-standing motto "Managing good assets with good people".

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