

ASX release

Subject: Lease and partial sale of cropping properties

20 June 2024

Rural Funds Management Limited (RFM), as responsible entity of Rural Funds Group (RFF), advises it has entered into an agreement for the lease of two cropping properties, Mayneland and Baamba Plains, for 10 years. The lessee is a company managed by The Rohatyn Group (TRG) on behalf of a joint venture between TRG and a global institutional investor. The transaction will also include the sale of a 50% interest in the properties.

The lease and partial sale provide several benefits to RFF, including a reduction in exposure to operating earnings, confirmation of asset values and capital from sale proceeds for debt reduction.

Additional details include:

- Lease rate in-line with existing cropping leases.
- Triple-net lease terms with an option to extend for an additional 10-years.
- CPI annual indexation (within 1.5% to 2.5% range) plus profit share mechanism.
- Sale proceeds of \$39.0m, subject to adjustments relating to water licence certifications.
- Farm management services to be provided to the lessee by a wholly owned subsidiary of RFM.
- Lessee termination rights include RFM ceasing to be responsible entity of RFF, a change of control in the farm manager without lessee consent and performance metrics calculated over rolling four year periods.

Settlement is expected early FY25, once various conditions precedent have been satisfied, including Foreign Investment Review Board approval.

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".

The Rohatyn Group (TRG): Founded in 2002, The Rohatyn Group is a global asset management firm focused on emerging markets and real assets which manages over US\$8 billion of assets on behalf of institutional investors. Headquartered in New York, with a global presence in 18 cities across the US, Latin America, Europe, Africa, the Middle East, India, Oceania and Southeast Asia. For more information, please visit www.rohatyngroup.com.

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