

Financial Statements

for the year ended 30 June 2025



Rural Funds Group | **ASX:
RFF**

Managed by:

 **Rural
Funds
Management**
Managing good assets with good people

Rural Funds Group

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Rural Funds Group

Corporate Directory

Registered Office	Level 2, 2 King Street DEAKIN ACT 2600
Responsible Entity	Rural Funds Management Limited ABN 65 077 492 838 AFSL 226701 Level 2, 2 King Street DEAKIN ACT 2600 Ph: 1800 026 665
Directors	Guy Paynter David Bryant Michael Carroll Julian Widdup Andrea Lemmon
Company Secretary	Emma Spear
Custodian	Certane CT Pty Limited ACN 106 424 088 Level 6, 80 Clarence Street SYDNEY NSW 2000
Auditors	PricewaterhouseCoopers One International Towers Sydney Watermans Quay BARANGAROO NSW 2000
Share Registry	Boardroom Pty Limited Level 8, 210 George Street SYDNEY NSW 2000 Ph: 1300 737 760
Bankers	Australia and New Zealand Banking Group Limited (ANZ) 242 Pitt Street SYDNEY NSW 2000 Cooperatieve Rabobank UA Darling Park Tower 3 201 Sussex Street SYDNEY NSW 2000 National Australia Bank (NAB) Level 6, 2 Carrington Street SYDNEY NSW 2000
Stock Exchange Listing	Rural Funds Group units (Rural Funds Trust and RF Active form a stapled investment vehicle) are listed on the Australian Securities Exchange (ASX)
ASX Code	RFF

Rural Funds Group

Directors' Report

30 June 2025

Rural Funds Group (RFF or the Group) comprises the stapled units in two Trusts, Rural Funds Trust (RFT) (ARSN 112 951 578) and RF Active (RFA) (ARSN 168 740 805) (collectively, the Trusts). The Directors of Rural Funds Management Limited (RFM) (ACN 077 492 838, AFSL 226701), the Responsible Entity of Rural Funds Group present their report on the Group for the year ended 30 June 2025.

In accordance with AASB 3 *Business Combinations*, the stapling arrangement referred to above is regarded as a business combination and Rural Funds Trust has been identified as the parent for the purpose of preparing the consolidated financial report.

The Directors' report is a combined report that covers both Trusts. The financial information for the Group is taken from the Consolidated Financial Statements and notes.

Directors

The following persons held office as Directors of the Responsible Entity during the period and up to the date of this report:

Guy Paynter	Non-Executive Chair
David Bryant	Managing Director
Michael Carroll	Non-Executive Director
Julian Widdup	Non-Executive Director
Andrea Lemmon	Non-Executive Director

Principal activities and significant changes in state of affairs

The principal activity of the Group during the year was the development and leasing of agricultural properties. The Group is a lessor of agricultural property with revenue derived from leasing almond orchards, macadamia orchards, vineyards, cattle properties, cropping properties, agricultural plant and equipment, cattle and water rights. The Group also carries out farming operations on an interim basis for unleased properties and properties under development.

The Group also provides a guarantee to J&F Australia Pty Ltd (J&F), a wholly owned subsidiary of RFM, earning a return equivalent to an equity rate of return calculated on the amount of the guarantee during the year.

The following activities of the Group changed during the year:

During the year, the Group completed the sale of three Maryborough cropping properties previously contracted.

During the year, the Group made a \$7,803,000 investment in Inform Ag, an agriculture technology company which includes an upfront purchase of shares totalling \$5,000,000 and a convertible debt facility in two tranches totalling \$2,000,000. Repayment of the debt facility will be through the issue of additional equity to RFF with \$1,000,000 of debt converted at 30 June 2025. The Group also exercised options totalling \$803,000 to acquire shares in addition to the initial investment. The Group's ownership will increase to approximately 50% following the conversion of the remaining tranche of the \$1,000,000 debt facility.

In August 2024, the additional \$60,000,000 facility was drawn from The Rohatyn Group (TRG). Debt is repaid with interest to March 2030.

In October 2024, the Group entered into a 5-year lease with an established private farming enterprise for the Cerberus property.

In December 2024, the Group completed the sale of 50% interest in Mayneland and Baamba Plains to a company managed by The Rohatyn Group.

In December 2024, the Group completed the acquisition of a 50% shareholding in Cotton JV Pty Limited (Cotton JV) from Queensland Cotton Corporation Pty Limited. The Cotton JV lease of the Lynora Downs property remains in place.

In December 2024, the Group increased its available core debt to \$830,000,000 (2024: \$750,000,000). The facility limit on the \$340,000,000 tranche was increased to \$420,000,000 and extended to November 2027. The facility limit on the \$410,000,000 tranche was unchanged and expires in November 2026. The maximum Loan to Value Ratio was increased to 60% (2024: 55%) as part of the extension. The Wyseby debt facility was extended to September 2025.

In January 2025, the Group extended the lease on five Vineyard properties leased to Treasury Wine Estates Limited (ASX: TWE). The Group's six vineyards were leased until June 2026, and following the extension, the weighted lease expiry is now approximately 12.1 years.

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In March 2025, the Group completed the sale of the Woodburn property for \$12,750,000.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group during the year.

Operating results

The consolidated net profit after income tax of the Group for the year ended 30 June 2025 amounted to \$26,076,000 (2024: \$80,441,000). The consolidated total comprehensive income of the Group for year ended 30 June 2025 amounted to \$20,319,000 (2024: \$117,155,000).

The Group holds investment property, bearer plants, owner-occupied property and derivatives at fair value. The Group also reports adjusted funds from operations (AFFO) as a performance measure which adjusts profit for the effects of contracted rent, rental straight-lining, unrealised fair value adjustments, depreciation, impairments, non-cash tax expense, one-off transaction costs and other transactions. AFFO for the year was \$44,708,000 (2024: \$42,373,000) and is reconciled to net profit before income tax below.

Adjusted funds from operations (AFFO)

The adjusted funds from operations (AFFO) calculated below effectively represents the underlying and recurring cash earnings from the Group's operations from which distributions are funded:

	2025	2024
	\$'000	\$'000
Net profit before income tax	27,123	81,560
Property related		
Change in fair value of investment property	(6,003)	(58,057)
(Reversal of impairment) / impairment of bearer plants	(177)	128
Impairment of property - owner occupied	788	558
Reversal of impairment of intangible assets	(2,402)	(1,400)
Depreciation - bearer plants	12,043	11,271
Depreciation - property - owner occupied	1,012	946
Depreciation and impairments - other	2,736	3,546
Loss / (gain) on sale of assets	211	(444)
Revenue items		
Rental revenue - prepaid rent (TRG macadamias and cropping)	1,201	7,529
Prepaid rent recognised (TRG macadamias and cropping)	(462)	-
Lease incentive amortisation (TRG macadamias)	206	68
Straight-lining of rental revenue	(8,134)	(3,203)
Interest component of JBS feedlot finance lease	(1,573)	(2,172)
Share of net loss of investments accounted for using the equity method	316	-
Farming operations		
Change in fair value of biological assets (unharvested crops and unsold cattle)	(1,930)	(725)
Change in fair value of biological assets (prior year biological assets realised during the year)	946	(581)
Contracted farming cost recovery (TRG cropping)*	(850)	850
Share of profit in Cotton JV Pty Ltd (AFFO)	524	-
Other		
Change in fair value of financial assets	(449)	(154)
Change in fair value of interest rate swaps	20,274	3,297
Income tax payable (AWF)	(692)	(644)
AFFO	44,708	42,373
AFFO cents per unit	11.5	11.0

* Contracted farming cost recovery (TRG cropping) recognised in AFFO for the year ended 30 June 2024, realised in net profit before income tax for the year ended 30 June 2025.

Rural Funds Group

Directors' Report

30 June 2025

Financial position

The net assets of the consolidated Group have decreased to \$1,048,884,000 at 30 June 2025 from \$1,071,317,000 at 30 June 2024. At 30 June 2025, the Group had total assets of \$1,911,722,000 (2024: \$1,901,214,000).

At 30 June 2025, the Group held total water entitlements (including investments in Barossa Infrastructure Limited (BIL) and Coleambally Irrigation Co-operative Limited (CICL)) at a book value of \$210,987,000 (2024: \$213,708,000). Directors obtain independent valuations on RFF properties ensuring that each property will have been independently valued at least every two years or more often where appropriate, with the exception for Mayneland and Baamba Plains which were sold in part during the year. These valuations attribute a value to the water entitlements held by the Group. The Directors have taken into account the most recent valuations on each property and consider that they remain a reasonable estimate of fair value. On this basis the fair value of water entitlements at 30 June 2025 was \$361,228,000 (2024: \$360,150,000). The value of water entitlements is illustrated in the table below:

	2025	2024
	\$'000	\$'000
Intangible assets (water entitlements)	199,003	201,724
Investment in CICL	11,464	11,464
Investment in BIL	520	520
Total book value of water entitlements	210,987	213,708
Revaluation of intangible assets per valuation	150,241	146,442
Adjusted total water entitlements	361,228	360,150

Adjusted net asset value

The following depicts the net assets of the Group following the revaluation of water entitlements comprising intangible assets and investments in BIL and CICL per these valuations.

	2025	2024
	\$'000	\$'000
Net assets per Consolidated Statement of Financial Position	1,048,884	1,071,317
Revaluation of intangible assets per valuation	150,241	146,442
Adjusted net assets	1,199,125	1,217,759
Adjusted NAV per unit (\$)	3.08	3.14

Banking facilities

At 30 June 2025 the core debt facility available to the Group was \$830,000,000 (2024: \$750,000,000), with a drawn balance of \$703,606,000 (2024: \$724,606,000). The facility is split into two tranches with a \$410,000,000 tranche expiring in November 2026 and a \$420,000,000 tranche expiring in November 2027. At 30 June 2025, RFF had active interest swaps totalling 65.9% (2024: 68.5%) of the drawn balance on the floating debt facility to manage interest rate risk.

At 30 June 2025 the TRG loan balance was \$76,660,000 (2024: \$32,857,000). Debt is repaid with interest over 7 years to March 2030.

At 30 June 2025 a borrowing facility provided by Rabobank to the Group relating to the acquisition of Wyseby property was \$24,454,000. At balance date, the facility is due to expire on September 2025.

Units on issue

389,722,999 units in Rural Funds Trust were on issue at 30 June 2025 (2024: 388,243,046). During the year 1,479,953 units (2024: 3,386,488) were issued by the Trust and nil (2024: nil) were redeemed.

Rural Funds Group

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Distributions

	Cents per unit	Total \$
Distribution declared 3 June 2024, paid 31 July 2024	2.9325	11,385,227
Distribution declared 2 September 2024, paid 31 October 2024	2.9325	11,405,842
Distribution declared 2 December 2024, paid 31 January 2025	2.9325	11,428,627
Distribution declared 3 March 2025, paid 30 April 2025	2.9325	11,428,627
Distribution declared 2 June 2025, paid 31 July 2025	2.9325	11,428,627

Earnings per unit

Net profit after income tax for the year (\$'000)	26,076
Weighted average number of units on issue during the year	389,401,461
Basic and diluted earnings per unit (total) (cents)	6.70

Property leasing

At 30 June 2025 the Group held 63 (2024: 67) properties as follows:

- 3 almond orchards (4,068 planted hectares).
- 6 vineyards (638 planted hectares).
- 14 macadamia orchards (2,183 planted hectares).
- 6 macadamia orchards currently being developed (1,566 planted and planned hectares) and other areas with the potential to be developed into macadamia orchards.
- 22 cattle properties made up of 17 breeding, backgrounding and finishing properties (716,372 hectares)* and 5 cattle feedlots with combined capacity of 150,000 head.
- 13 cropping properties (14,225 hectares).

During the year ended 30 June 2025, the properties held by the Group recorded fair value movements and depreciation as follows:

	2025 \$'000	2024 \$'000
Change in fair value of investment property	6,003	58,057
Reversal of impairment / (impairment) of bearer plants	177	(128)
Revaluation (decrement) / increment - bearer plants	(7,121)	27,352
Depreciation - bearer plants	(12,043)	(11,271)
Reversal of impairment of intangible assets	2,402	1,400
Impairment of property - owner occupied	(788)	(558)
Revaluation increment - property - owner occupied	1,364	9,446
Depreciation - property - owner occupied	(1,012)	(946)
Total property revaluation through total comprehensive income	(11,018)	83,352
Revaluation of water entitlements per Directors' valuation	5,119	10,928
Total property revaluation	(5,899)	94,280

Almond orchards

The three fully established almond orchard properties (including water entitlements) are located in Hillston, NSW and Darlington Point, NSW and are leased to tenants who make regular rental payments. These encompass a planted area of 4,068 hectares (2024: 4,068 hectares):

- Yilgah 935 planted hectares (2024: 935 hectares).
- Tocabil 603 planted hectares (2024: 603 hectares).
- Kerarbury 2,530 planted hectares (2024: 2,530 hectares).

These properties are under lease to the following tenants:

- Select Harvests Limited (SHV) 935 planted hectares (2024: 935 hectares).
- Olam Orchards Australia Pty Limited (Olam) 3,133 planted hectares (2024: 3,133 hectares).

* The Group's Area for Wyseby (held as tenant-in-common in the interest of 57.25%) included in the number of hectares.

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Property leasing (continued)

Almond orchards (continued)

For its almond orchards the Group owns water entitlements of 55,525ML (2024: 55,525ML) comprising groundwater, high security river water, general security river water, supplementary river water, and domestic and stock river water. In addition, the Group owns 21,430ML (2024: 21,430ML) of water delivery entitlements that provide access to water delivery through CICL, with a low annual allocation expected to be provided.

Vineyards

The vineyard properties held by the Group include six vineyards, with five located in South Australia, in the Barossa Valley and Adelaide Hills regions, and one located in the Grampians in Victoria. For its vineyards, the Group owns 909ML of water entitlements (2024: 909ML). All vineyards are leased to Treasury Wine Estates Limited and produce premium quality grapes.

Macadamia orchards

Three established macadamia orchards are located near Bundaberg, Queensland:

- Swan Ridge and Moore Park, 234 hectares (2024: 234 hectares), currently operated by the Group.
- Bonmac, 27 hectares (2024: 27 hectares), currently leased to RFM Farming.

Beerwah and Bauple, 475 hectares (2024: 475 hectares) located in the Glass House Mountains and Wide Bay regions of Queensland are unleased and currently operated by the Group.

The following properties are leased to a company managed by The Rohatyn Group (TRG):

- Cygnet, located in Bundaberg, Queensland consists of 37 hectares (2024: 37 hectares) of newly established plantings.
- Nursery Farm, located in Bundaberg, Queensland consists of 41 hectares (2024: 41 hectares) of newly established plantings and a macadamia tree nursery, separately leased to another external party.
- Ten properties located in Maryborough, consisting of 1,394 hectares (2024: 933 hectares) of newly established macadamia plantings and 115 hectares (2024: 568 hectares) of planned macadamia plantings.
- Riverton, located in the Fitzroy region in Queensland consisting of 422 hectares (2024: 360 hectares) of newly established plantings.

The following properties under development are leased to a company managed by The Rohatyn Group:

- The Rookwood Farms aggregation, located in the Fitzroy region in Queensland with 843 hectares (2024: 411 hectares) of newly planted macadamia plantings and 161 hectares (2024: 615 hectares) of planned macadamia plantings totalling 1,004 hectares (2024: 1,026 hectares).

Cattle properties

Cattle properties held by the Group comprise of cattle breeding, backgrounding and finishing properties and cattle feedlots.

- Rewan located near Rolleston in central Queensland 17,479 hectares (2024: 17,479 hectares).
- Mutton Hole and Oakland Park located in far north Queensland 225,800 hectares (2024: 225,800 hectares).
- Natal aggregation located near Charters Towers in north Queensland 390,600 hectares (2024: 390,600 hectares).
- Comanche located in central Queensland 7,600 hectares (2024: 7,600 hectares).
- Cerberus located north west of Rockhampton in central Queensland 8,280 hectares (2024: 8,280 hectares).
- Dyamberin located in the New England region of New South Wales 1,728 hectares (2024: 1,728 hectares).
- Cobungra located in the East Gippsland region of Victoria 6,497 hectares (2024: 6,497 hectares).
- Petro, High Hill and Willara located in Western Australia 6,196 hectares (2024: 6,196 hectares).

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Directors' Report

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Property leasing (continued)

Cattle properties (continued)

- Yarra located south west of Rockhampton in central Queensland 4,090 hectares (2024: 4,090 hectares).
- Homehill located north west of Rockhampton in central Queensland 4,925 hectares (2024: 4,925 hectares).
- Coolibah and River Block located south west of Rockhampton in central Queensland 724 hectares (2024: 724 hectares).
- Thirsty Creek located south west of Rockhampton in central Queensland 503 hectares (2024: 503 hectares).
- Prime City, Mungindi, Caroon, Beef City and Riverina, 5 cattle feedlots with a combined capacity of 150,000 head (2024: 150,000 head).
- Kaiuroo, located north west of Rockhampton in central Queensland, 27,879 hectares (2024: 27,879 hectares).
- Wyseby, held as tenant-in-common arrangement (57.25% interest), located south-west of Rockhampton in Central Queensland adjoining Rewan 14,071 hectares (2024: 14,071 hectares).

The following cattle properties are leased to the following tenants:

- Australian Agricultural Company Limited, leasing Rewan, Comanche and Home Hill.
- Cattle JV Pty Limited, a wholly owned subsidiary of RFM, leasing Mutton Hole and Oakland Park.
- DA & JF Camm Pty Limited, a member of the Camm Agricultural Group, leasing the Natal aggregation.
- Stone Axe Pastoral Company Pty Limited, leasing Dyamberin, Cobungra, Petro, High Hill and Willara.
- Mort & Co Lot Feeder Pty Limited, leasing Coolibah, River Block and Thirsty Creek.
- Acton Cattle Company Pty Limited, leasing a portion of Cerberus.
- Clarke Creek Energy Pty Limited leasing a portion of Cerberus.
- Caldwell Family (Milong) Pty Limited, leasing a portion of Wyseby.

In addition to this, JBS Australia Pty Limited (JBS) leases the Prime City, Mungindi, Caroon, Beef City and Riverina feedlots.

Yarra and Kaiuroo are currently being operated by the Group, allowing for capital development and improvement designed to improve the productivity of the properties while long-term lessees are being sought.

The lease arrangement for Natal aggregation includes a \$5,000,000 cattle leasing arrangement to fund the purchase of cattle. The balance has been fully repaid as at 30 June 2025 with a balance of nil (2024: \$1,871,000).

Cropping properties

Cropping properties held by the Group comprise of:

- Lynora Downs, a 4,963 hectare (2024: 4,963 hectare) cropping property located near Emerald, QLD is leased to Cotton JV Pty Limited (Cotton JV), a joint venture between RFM and the Group, until April 2027.
- 9 Maryborough properties located in Queensland totalling 2,059 hectares (2024: 2,200 hectares) which have potential to be developed into macadamia orchards. These properties are currently held for cropping purposes.
- Swan Ridge South, located in Bundaberg, Queensland totalling 123 hectares (2024: 123 hectares)
- Baamba Plains (50% share), a 4,130 hectare cropping property located in central Queensland leased to a company managed by The Rohatyn Group.
- Mayneland (50% share), a 2,942 hectare cropping property, located in central Queensland leased to a company managed by The Rohatyn Group.

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Other activities

The Group provides a \$123,000,000 (2024: \$123,000,000) limited guarantee to J&F Australia Pty Ltd (J&F). The guarantee is currently used to support \$123,000,000 of J&F's debt facility which is used for cattle purchases, feed and other costs associated with finishing the cattle on the feedlots, enabling J&F to supply cattle to JBS Australia Pty Limited (JBS) for its grain fed business and the funding of grain in JBS' Rivalea business. The guarantee earns a return for RFF equivalent to an equity rate of return which is calculated on the amount of the guarantee during the year.

Breeder herd assets under finance lease of \$19,613,000 (2024: \$18,864,000) are leased to Cattle JV.

Agricultural plant and equipment with a net book value of \$1,092,000 (2024: \$400,000) is owned by the Group and leased to RFM Farming, RFM Macadamias and Cattle JV. Agricultural plant and equipment with a net book value of \$18,253,000 (2024: \$28,601,000) is used for the Group's farming operations and macadamia developments.

Risks and opportunities

Climate-related risk

As the Responsible Entity for the Group, RFM acknowledges the potential risk of climate change. RFM implements the Group's climate diversification strategy to mitigate these risks within the portfolio. In accordance with the Group's Sustainability Policy, RFM manages portfolio risk within its existing Risk Management Framework.

Extreme weather events have the potential to damage assets and disrupt operations. The majority of assets are subject to triple-net leases where the lessee is responsible for operations and insurance costs. RFM considers that climate change may present risks for the Group primarily in the form of residual risk of the Group's assets at the end of the lease term. These risks may be mitigated by how the assets are managed. External valuations consider these types of factors as well as other risks when determining the valuations of the assets.

The Group is working towards climate-related risk disclosure to align with the Australian Sustainability Reporting Standards. Based on current guidance, RFF is expected to be classified within Group 3 under AASB S2, with mandatory reporting set to commence from the 30 June 2028 reporting period. RFM monitors Scope 1 and Scope 2 emissions, focusing on carbon dioxide, methane, and nitrous oxide from assets operated by the Group.

The Group's assets produce these emissions through its agricultural infrastructure and machinery, cattle assets and through the application of fertiliser. RFM is enhancing internal systems to enable more transparent and comprehensive reporting in line with these disclosures. This approach will support the Group in managing climate related risks while improving asset management practices.

Capital and funding requirements

Volatility in capital markets and debt markets will impact on the Group's ability to access capital. RFM will continue to explore opportunities to diversify funding sources through capital partnering and by managing debt levels in line with the Group's internal target gearing of between 30-35%. The optimal capital structure is reviewed periodically with reference to prevailing market conditions.

Likely developments and expected results of operations

The Group expects to continue to derive its core future income from the holding and leasing of agricultural property and water entitlements. A key part of the Group's strategy is the continued development of macadamia orchards in Queensland in addition to identifying opportunities for the Group to enter into leases of the assets that the Group is currently operating. Management continues to look for growth opportunities in agricultural and related industries.

Environmental regulation

The Group operates under various Commonwealth and State-based environmental laws, including those which regulate water use and irrigation. Tenants who lease land and water assets from the Group must comply with legislation relating to their use of the asset. The Group also complies with broader environmental laws covering waste, emissions, and biodiversity. No environmental breaches have been recorded. The Group actively manages risks and monitors compliance to ensure ongoing adherence.

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Indirect cost ratio

The indirect cost ratio (ICR) is the ratio of the Group's management costs over the Group's average net assets for the year, expressed as a percentage.

Management costs include management fees and other expenses such as corporate overheads in relation to the Group, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Group.

The ICR for the Group for the year ended 30 June 2025 is 1.72% (2024:1.71%).

Indemnity of Responsible Entity and Custodian

In accordance with its constitution, Rural Funds Group indemnifies the Directors, Company Secretary and all other officers of the Responsible Entity and Custodian when acting in those capacities, against costs and expenses incurred in defending certain proceedings.

Matters subsequent to the end of the year

In August 2025, the Group completed the sale of 2,254ML of High Security Murrumbidgee River water entitlements.

No other matter or circumstance has arisen since the end of the year that has significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Rounding of amounts

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and accordingly amounts in the consolidated financial statements and Directors' report have been rounded to the nearest thousand dollars.

Information on Directors of the Responsible Entity

Guy Paynter

Non-Executive Chair

Qualifications

Bachelor of Laws from The University of Melbourne

Experience

Guy is a former director of broking firm JB Were. Guy brings to RFM more than 30 years of experience in corporate finance. Guy is a former member of the Australian Securities Exchange (ASX) and a former associate of the Securities Institute of Australia (now known as the Financial Services Institute of Australasia). Guy's agricultural interests include cattle breeding in the Upper Hunter region in New South Wales.

Special responsibilities

Member of Remuneration Committee.

Directorships of other listed entities in the last three years

None

David Bryant

Managing Director

Qualifications

Diploma of Financial Planning from the Royal Melbourne Institute of Technology and Masters of Agribusiness from The University of Melbourne.

Experience

David Bryant established RFM in February 1997 and leads the RFM team. David focuses on strategic planning, maintaining key commercial relationships and sourcing new business opportunities.

David is currently a Director of Marquis Macadamias Limited, Marquis Marketing Pty Limited and Inform Ag Pty Limited.

Special responsibilities

Managing Director

Directorships of other listed entities in the last three years

None

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Directors' Report

30 June 2025

Information on Directors of the Responsible Entity (continued)

Michael Carroll

Non-Executive Director

Qualifications

Bachelor of Agricultural Science, La Trobe University and Master of Business Administration, Melbourne University Business School. Michael has completed the Advanced Management Program, Harvard Business School, Boston, and is a Fellow of the Australian Institute of Company Directors.

Experience

Michael is currently the Chair of Viridis Ag Pty Limited, a Director of Paraway Pastoral Company Limited and Dyno Nobel Limited.

Former board positions include the Australian Rural Leadership Foundation, Genetics Australia, Regional Investment Corporation, RFM Poultry, Select Harvests Limited, Elders Limited, Sunny Queen Australia Pty Limited, Tassal Group Limited, the Australian Farm Institute, Warrnambool Cheese and Butter Factory Company Holdings Limited, Queensland Sugar Limited, Rural Finance Corporation of Victoria, Meat and Livestock Australia and the Geoffrey Gardiner Dairy Foundation.

Michael's executive experience includes establishing and leading the National Australia Bank's Agribusiness division and as a Senior Adviser in NAB's internal investment banking and corporate advisory team. Prior to that Michael worked for Monsanto Agricultural Products and a biotechnology venture capital company.

Special responsibilities

Chair of Audit Committee and Remuneration Committee

Directorships of other listed entities in the last three years

Dyno Nobel Limited

Julian Widdup

Non-Executive Director

Qualifications

Bachelor of Economics and Master of Business Administration from the Australian National University. Completed the Senior Executive Leadership Program at Harvard Business School. Fellow of the Institute of Actuaries of Australia and Fellow of the Australian Institute of Company Directors.

Experience

Julian is currently a director of Equip Super, Australian Catholic University and Catholic Schools NSW. Julian's prior experience includes executive roles in investment management, asset consulting and with the Australian Government.

Special responsibilities

Member of Audit Committee and Remuneration Committee

Directorships of other listed entities in the last three years

None

Andrea Lemmon

Non-Executive Director

Qualifications

Diploma in Financial Planning from Deakin University

Experience

Andrea was employed by RFM from its inception in 1997 until her retirement in October 2018. During her tenure with RFM, Andrea held a variety of executive roles and was responsible for overseeing RFM's investment into the macadamia industry. From August 2020 until November 2022, Andrea was Chair of Marquis Macadamias Limited, Australia's largest macadamia processor and a non-executive Director of Marquis Marketing, the company responsible for marketing around 25% of the global macadamia crop. Andrea's extensive experience includes previously serving as a non-executive director of Perth Markets Limited and Market City Operator.

Special responsibilities

Member of Audit Committee and Remuneration Committee

Directorships of other listed entities in the last three years

None

Rural Funds Group

Directors' Report

30 June 2025

Interests of Directors of the Responsible Entity

	Guy Paynter	David Bryant*	Michael Carroll	Julian Widdup	Andrea Lemmon
	Units	Units	Units	Units	Units
Balance at 30 June 2023	1,744,710	16,944,462	267,408	141,740	183,357
Additions	300,000	-	16,686	6,741	-
Balance at 30 June 2024	2,044,710	16,944,462	284,094	148,481	183,357
Additions	-	-	66,510	-	-
Balance at 30 June 2025	2,044,710	16,944,462	350,604	148,481	183,357

*Includes interests held by Rural Funds Management Limited as the Responsible Entity.

Company Secretary of the Responsible Entity

Emma Spear is RFM's company secretary. Emma joined RFM in 2008, is a member of CPA Australia and is admitted as a Legal Practitioner of the Supreme Court of the ACT.

Meetings of Directors of the Responsible Entity

During the financial year 18 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Directors meetings		Audit Committee meetings		Remuneration Committee meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Guy Paynter	15	14	-	-	1	1
David Bryant	15	15	-	-	-	-
Michael Carroll	15	15	2	2	1	1
Julian Widdup	15	15	2	2	1	1
Andrea Lemmon	15	14	2	2	1	1

Non-audit services

Fees of \$53,501 (2024: \$50,931) were paid or payable to PricewaterhouseCoopers for compliance audit services provided for the year ended 30 June 2025.

Rural Funds Group

Directors' Report

30 June 2025

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act* 2001 for the year ended 30 June 2025 has been received and is included on page 13 of the financial report.

The Directors' report is signed in accordance with a resolution of the Board of Directors of Rural Funds Management Limited.

A handwritten signature in black ink, appearing to read 'David Bryant', is written over a faint, light blue circular stamp.

David Bryant
Director

22 August 2025



Auditor's Independence Declaration

As lead auditor for the audit of Rural Funds Group for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rural Funds Group and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'M Upcroft'.

Marc Upcroft
Partner
PricewaterhouseCoopers

Sydney
22 August 2025

Rural Funds Group

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Revenue	B3	128,815	109,763
Other income	B3	3,651	2,740
Management fee		(10,836)	(9,976)
Asset management fee		(8,127)	(7,482)
Property expenses		(3,686)	(3,451)
Other expenses		(7,571)	(7,402)
Finance costs		(27,802)	(20,567)
Cost of goods sold - farming operations		(20,536)	(20,629)
Property and other expenses - farming operations		(6,717)	(8,822)
Change in fair value of biological assets - farming operations	F5	8,281	7,077
Change in fair value of investment property	C2	6,003	58,057
Reversal of impairment / (impairment) of bearer plants	C3	177	(128)
Depreciation - bearer plants	C3	(12,043)	(11,271)
Reversal of impairment of intangible assets	C5	2,402	1,400
Impairment of property - owner occupied	C6	(788)	(558)
Depreciation - property - owner occupied	C6	(1,012)	(946)
Depreciation and impairments - other		(2,736)	(3,546)
Change in fair value of interest rate swaps		(20,274)	(3,297)
Change in fair value of financial assets		449	154
Share of net loss of investments accounted for using the equity method		(316)	-
(Loss) / gain on sale of assets		(211)	444
Net profit before income tax		27,123	81,560
Income tax expense	D1	(1,047)	(1,119)
Net profit after income tax		26,076	80,441
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation (decrement) / increment - bearer plants	C3	(7,121)	27,352
Revaluation increment - property - owner occupied	C6	1,364	9,446
Income tax expense relating to these items		-	(84)
Other comprehensive income for the year, net of tax		(5,757)	36,714
Total comprehensive income attributable to unitholders		20,319	117,155

The accompanying notes form part of these financial statements.

Rural Funds Group

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Total net profit / (loss) after income tax for the year attributable to unitholders arising from:			
Rural Funds Trust		31,456	83,247
RF Active (non-controlling interest)		(5,380)	(2,806)
Total		26,076	80,441
Total comprehensive income / (loss) for the year attributable to unitholders arising from:			
Rural Funds Trust		25,699	119,961
RF Active (non-controlling interest)		(5,380)	(2,806)
Total		20,319	117,155
Earnings per unit			
Basic and diluted earnings per unit attributable to the unitholders:			
Per stapled unit (cents)		6.70	20.79
Per unit of Rural Funds Trust (cents)		8.08	21.52
Per unit of RF Active (cents)		(1.38)	(0.73)

The accompanying notes form part of these financial statements.

Rural Funds Group

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	F1	7,914	7,243
Trade and other receivables	F2	19,053	20,538
Other current assets	F3	1,768	2,186
Assets held for sale	C8	13,806	48,876
Biological assets	F5	11,974	12,907
Inventories	F6	1,782	2,222
Financial assets	E2	1,000	-
Derivative financial assets	E3	320	619
Total current assets		57,617	94,591
Non-current assets			
Investment property	C2	1,058,791	1,003,241
Plant and equipment - bearer plants	C3	247,330	248,842
Financial assets	C4, E2	131,799	112,860
Intangible assets	C5	199,003	201,724
Property - owner occupied	C6	164,808	169,796
Plant and equipment - other	C7	19,345	29,001
Investments accounted for using the equity method	F4	8,927	-
Derivative financial assets	E3	20,131	38,124
Other assets	F3	3,971	3,035
Total non-current assets		1,854,105	1,806,623
Total assets		1,911,722	1,901,214
LIABILITIES			
Current liabilities			
Trade and other payables	F6	10,194	6,783
Unearned income	F7	1,916	507
Current tax payable	D2	461	705
Interest bearing liabilities	E1	46,976	35,994
Distributions payable	E8	12,071	11,948
Total current liabilities		71,618	55,937
Non-current liabilities			
Interest bearing liabilities	E1	764,074	751,749
Deferred tax liabilities	D2	8,269	7,914
Unearned income	F7	13,689	10,581
Other non-current liabilities	F8	3,206	3,716
Derivative financial liabilities	E3	1,982	-
Total non-current liabilities		791,220	773,960
Total liabilities (excluding net assets attributable to unitholders)		862,838	829,897
Net assets attributable to unitholders		1,048,884	1,071,317
Total liabilities		1,911,722	1,901,214

*Water entitlements are held at cost less accumulated impairment in the Consolidated Statement of Financial Position in accordance with accounting standards. Refer to note B1 Segment information, for disclosure of the Directors' valuation of water entitlements, which are supported by independent property valuations.

The accompanying notes form part of these financial statements.

Rural Funds Group

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			
Unitholders of Rural Funds Trust			
Issued units	E7	409,006	424,533
Asset revaluation reserve	F10	101,201	106,979
Retained earnings		550,897	546,700
Parent entity interest		1,061,104	1,078,212
Unitholders of RF Active			
Issued units	E7	7,018	6,963
Retained earnings		(19,238)	(13,858)
Non-controlling interest		(12,220)	(6,895)
Total net assets attributable to unitholders		1,048,884	1,071,317

The accompanying notes form part of these financial statements.

Rural Funds Group

Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 30 June 2025

2025	Note	Issued units \$'000	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total \$'000
Balance at 1 July 2024		424,533	106,979	546,700	1,078,212	(6,895)	1,071,317
Other comprehensive income, net of tax		-	(5,757)	-	(5,757)	-	(5,757)
Net profit after income tax		-	-	31,456	31,456	(5,380)	26,076
Total comprehensive income for the year		-	(5,757)	31,456	25,699	(5,380)	20,319
Transfer on disposal of property - owner occupied to retained earnings		-	(21)	21	-	-	-
Issued units							
Units issued during the year		2,885	-	-	2,885	55	2,940
Total issued units		2,885	-	-	2,885	55	2,940
Distributions to unitholders		(18,412)	-	(27,280)	(45,692)	-	(45,692)
Balance at 30 June 2025		409,006	101,201	550,897	1,061,104	(12,220)	1,048,884

2024	Note	Issued units \$'000	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interest \$'000	Total \$'000
Balance at 1 July 2023		459,078	70,265	468,034	997,377	(4,218)	993,159
Other comprehensive income, net of tax		-	36,714	-	36,714	-	36,714
Net profit after income tax		-	-	83,247	83,247	(2,806)	80,441
Total comprehensive income for the year		-	36,714	83,247	119,961	(2,806)	117,155
Issued units							
Units issued during the year		6,292	-	-	6,292	129	6,421
Total issued units		6,292	-	-	6,292	129	6,421
Distributions to unitholders		(40,837)	-	(4,581)	(45,418)	-	(45,418)
Balance at 30 June 2024		424,533	106,979	546,700	1,078,212	(6,895)	1,071,317

The accompanying notes form part of these financial statements.

Rural Funds Group

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		127,106	94,347
Payments to suppliers (inclusive of GST)		(56,060)	(57,160)
Interest received	B3	554	1,094
Finance income		12,868	13,609
Finance costs		(27,802)	(20,567)
Income tax paid	D2	(936)	259
Net cash inflow from operating activities		55,730	31,582
Cash flows from investing activities			
Payments for investment property		(46,964)	(64,779)
Payments for plant and equipment - bearer plants		(16,487)	(9,715)
Payments for financial assets - property related		(3,815)	(4,672)
Payments for intangible assets		(3,004)	(33,041)
Payments for property - owner occupied	C6	(17,221)	(14,363)
Payments for plant and equipment		(5,341)	(11,852)
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		(2,126)	(301)
Proceeds from sale of investment property		13,841	80
Proceeds from financial assets - property related		3,655	240
Proceeds from sale of intangible assets	C5	35	-
Proceeds from sale of property - owner occupied	C6	611	-
Proceeds from sale of plant and equipment		2,277	312
Proceeds from assets held for sale		48,846	-
Distributions received		198	62
Net cash outflow from investing activities		(35,737)	(138,246)
Cash flows from financing activities			
Proceeds from issue of units	E7	2,940	6,421
Proceeds from borrowings		223,489	223,369
Repayment of borrowings		(200,182)	(76,225)
Distributions paid		(45,569)	(45,411)
Net cash (outflow) / inflow from financing activities		(19,322)	108,154
Net decrease in cash and cash equivalents held		671	1,490
Cash and cash equivalents at the beginning of the year		7,243	5,753
Cash and cash equivalents at the end of the year	F1	7,914	7,243

The accompanying notes form part of these financial statements.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

A. REPORT OVERVIEW

General information

This financial report covers the consolidated financial statements and notes of Rural Funds Trust and its Controlled Entities including RF Active (Rural Funds Group, the Group or collectively the Trusts). Rural Funds Group is a for profit entity incorporated and domiciled in Australia. The Directors of the Responsible Entity authorised the Financial Report for issue on 22 August 2025 and have the power to amend and reissue the Financial Report.

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The separate financial statements and notes of the parent entity, Rural Funds Trust, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*. Parent entity information is included in section G3.

Basis of preparation

The Trusts have common business objectives and operate collectively as an economic entity known as Rural Funds Group. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001* and the Trusts' Constitution. The report has been prepared on a going concern basis.

The material accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated. The financial statements are based on historical cost, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These financial statements are consolidated financial statements and accompanying notes of both Rural Funds Trust and RF Active.

Rounding of amounts

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and accordingly amounts in the consolidated financial statements and Directors' report have been rounded to the nearest thousand dollars.

Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, income, expenses and cash flows relating to transactions between entities in the consolidated Group have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to the controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a 30 June financial year end.

Controlled entities

In accordance with AASB 3 *Business Combinations*, Rural Funds Trust is deemed to control RF Active from the stapling date of 16 October 2014. Rural Funds Trust is considered to be the acquirer of RF Active due to the size of the respective entities and as the stapling transaction and capitalisation of RF Active was funded by a distribution from Rural Funds Trust that was compulsorily used to subscribe for units in RF Active.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

Principles of consolidation (continued)

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

The following are areas for which significant judgements, estimates or assumptions are made:

Valuation of property related assets

Independent valuations on the Group's properties are obtained, ensuring that each property will have been independently valued every two financial years or more often where appropriate, with the exception of Mayneland and Baamba Plains which were sold in part during the year. Independent valuation reports assess and provide value for properties in their entirety.

Significant judgement is applied in order to allocate the total property value, as disclosed in the independent valuation reports where applicable, to investment property, bearer plants and water entitlements. The allocation technique will vary depending on the nature of the lease arrangement.

Where information is available, each component of the property, meaning the land and infrastructure, the trees and any water assets, disclosed in the financial statements as investment property, bearer plants and water entitlements, will be allocated on an encumbered (subject to lease) basis.

If this information is not available, the valuation report may provide additional information, such as the summation basis of the unencumbered (vacant possession) value, evidence of other market transactions and the analysis of those component parts, which along with other sources, including the nature of capital expenditure on the property, is used to determine the encumbered allocation to components. Significant judgement is applied as part of these allocations, which vary from property to property, given the individual circumstances of the leasing arrangements. The allocation technique may change to reflect the best estimate of fair value attributable to each component at reporting date. Allocation techniques are disclosed in Note C1.

Estimation of useful lives of bearer plants

The useful lives of bearer plants have been estimated by assessing industry data. The useful lives of bearer plants are disclosed in Note C3.

Working capital

The deficiency in working capital at 30 June 2025 is due to the timing of distributions at balance date and the classification of the \$24,454,000 Wyseby debt facility due in September 2025. Based on the forecast cash flows, the Group believes it can pay all its debts as and when they fall due for at least a minimum period of 12 months from the date of these accounts. The Group has headroom in its syndicated bank facility of \$126,394,000 as at 30 June 2025 subject to compliance with the Group's bank covenants.

Comparative amounts

Comparative amounts have not been restated unless otherwise noted.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B. RESULTS

B1 Segment information

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the Responsible Entity. During the year ended 30 June 2025, the Group held property in agricultural sectors presented in five segments (2024: five segments) each holding and leasing agricultural property and equipment. Segment revenue includes rental income, finance income and interest income. Segment property assets include investment property, bearer plants, intangible assets, property – owner occupied, financial assets and plant and equipment. Revenue and property assets not categorised in these sectors are managed at a corporate level. Liabilities and direct or indirect expenses are not allocated to individual segments as these are reviewed by the chief operating decision maker on a consolidated basis.

Segment revenue and revaluation movements

	Almonds	Cattle	Vineyards	Cropping	Macadamias	Other*	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rental revenue**	33,882	22,555	4,702	4,366	17,332	2,510	85,347
Rental revenue - prepaid rent (TRG)	-	-	-	(538)	(201)	-	(739)
Lease incentive amortisation	-	-	-	-	(206)	-	(206)
Rental revenue - straight-lining	(124)	328	38	-	7,869	23	8,134
Revenue from farming operations	-	-	-	-	-	21,284	21,284
Interest received	55	275	7	-	-	217	554
Finance income	-	13,610	-	-	709	122	14,441
Total revenue	33,813	36,768	4,747	3,828	25,503	24,156	128,815
Other income	-	-	-	-	-	3,651	3,651
Gain / (loss) on disposal	-	136	-	(289)	(58)	-	(211)
Depreciation - bearer plants	(6,365)	-	(1,081)	-	(4,597)	-	(12,043)
Depreciation - property (owner occupied)	-	(618)	-	(14)	(380)	-	(1,012)
Change in fair value through profit or loss (property related)	1,568	172	-	3,915	(1,364)	3,455	7,746
Revaluation increment through other comprehensive income	(8,768)	-	-	-	3,011	-	(5,757)
Total revaluation per statutory accounts	(7,200)	172	-	3,915	1,647	3,455	1,989
Revaluation of water entitlements per director's valuation	5,278	142	-	-	340	(641)	5,119
Total revaluation including water entitlements	(1,922)	314	-	3,915	1,987	2,814	7,108

*Other rental revenue relates to lease of water entitlements.

**Includes Rental revenue – prepaid rent (TRG).

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B1 Segment information (continued)

Segment revenue and revaluation movements (continued)

Revaluation for cropping segment relates to external valuation for Lynora Downs with market movements supported by comparable sales transactions.

Revaluation for macadamia segment largely relates to the external valuations for mature macadamia properties and macadamia properties under development that are leased to a company managed by The Rohatyn Group (TRG), with movements supported by rental increases as a result of capital expenditure deployment and comparable sales transactions.

Revaluation for almond segment relates to the external valuations for the Kerarbury, Tocabil and the Directors' valuation of Yilgah. In relation to Yilgah, the fair value adopted for statutory reporting is on an unencumbered (vacant possession) basis as the Group is in discussions with the tenant as part of the rent review process. This has resulted in a valuation decrement which has been offset by an increase to the Kerarbury and Tocabil valuations.

Revaluation for other segment relates to external valuations for water entitlements. Revaluation increment is due to market movements supported by comparable sales transactions.

Refer to section C1 for details on properties valued during the year.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B1 Segment information (continued)

Segment revenue and revaluation movements (continued)

2024	Almonds \$'000	Cattle \$'000	Vineyards \$'000	Cropping \$'000	Macadamias \$'000	Other* \$'000	Total \$'000
Rental revenue**	30,052	20,516	4,929	5,404	14,448	2,714	78,063
Rental revenue - prepaid rent (TRG)	-	-	-	(3,054)	(4,475)	-	(7,529)
Lease incentive amortisation	-	-	-	-	(68)	-	(68)
Rental revenue - straight-lining	130	127	63	-	2,848	35	3,203
Revenue from farming operations	-	-	-	-	-	21,391	21,391
Interest received	-	713	-	-	-	381	1,094
Finance income	-	13,609	-	-	-	-	13,609
Total revenue	30,182	34,965	4,992	2,350	12,753	24,521	109,763
Other income	-	-	-	-	-	2,740	2,740
Gain/(loss) on disposal	-	33	206	73	48	84	444
Depreciation - bearer plants	(6,241)	-	(1,089)	-	(3,941)	-	(11,271)
Depreciation - property (owner occupied)	-	(169)	-	(451)	(326)	-	(946)
Change in fair value through profit or loss	417	47,417	(2,931)	(2,471)	14,756	1,737	58,925
Revaluation increment through other comprehensive income	2,987	-	279	2,186	31,346	-	36,798
Total revaluation	3,404	47,417	(2,652)	(285)	46,102	1,737	95,723
Revaluation of water entitlements per director's valuation	4,408	-	(1,586)	391	7,715	-	10,928
Total revaluation	7,812	47,417	(4,238)	106	53,817	1,737	106,651

*Other rental revenue relates to lease of water entitlements.

**Includes Rental revenue – prepaid rent (TRG).

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B1 Segment information (continued)

Segment assets

	Almonds \$'000	Cattle \$'000	Vineyards \$'000	Cropping \$'000	Macadamias \$'000	Unallocated \$'000	Total \$'000
2025							
Investment property	174,116	526,244	35,730	93,854	228,847	-	1,058,791
Plant and equipment - bearer plants	110,859	-	18,239	-	118,232	-	247,330
Financial assets - property related	11,466	88,098	804	-	21,807	58	122,233
Intangible assets (water)	66,707	22,488	500	7,774	25,408	76,126	199,003
Property - owner occupied	-	101,818	-	19,009	43,981	-	164,808
Plant and equipment - other	94	5,049	-	3,320	10,714	168	19,345
Assets held for sale	-	-	-	5,679	-	8,127	13,806
Total property assets per statutory accounts	363,242	743,697	55,273	129,636	448,989	84,479	1,825,316
Revaluation of intangible assets per director's valuation	87,229	142	3,679	1,710	13,089	44,392	150,241
Total adjusted property assets at director's valuation	450,471	743,839	58,952	131,346	462,078	128,871	1,975,557
Other assets per statutory accounts	-	-	-	-	-	86,406	86,406
Total adjusted assets	450,471	743,839	58,952	131,346	462,078	215,277	2,061,963

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B1 Segment information (continued)

Segment assets

	Almonds \$'000	Cattle \$'000	Vineyards \$'000	Cropping \$'000	Macadamias \$'000	Unallocated \$'000	Total \$'000
2024							
Investment property	167,334	535,575	33,253	71,372	195,707	-	1,003,241
Plant and equipment - bearer plants	125,899	-	17,946	-	104,997	-	248,842
Financial assets - property related	11,589	87,601	766	-	3,799	35	103,790
Intangible assets (water)	66,707	21,437	500	6,831	26,251	79,998	201,724
Property - owner occupied	-	92,200	-	38,869	38,727	-	169,796
Plant and equipment - other	112	4,668	-	4,361	19,860	-	29,001
Assets held for sale	-	-	-	48,876	-	-	48,876
Total property assets per statutory accounts	371,641	741,481	52,465	170,309	389,341	80,033	1,805,270
Revaluation of intangible assets per director's valuation	81,951	-	3,679	3,030	12,749	45,033	146,442
Total adjusted property assets at director's valuation	453,592	741,481	56,144	173,339	402,090	125,066	1,951,712
Other assets per statutory accounts	-	-	-	-	-	95,944	95,944
Total adjusted assets	453,592	741,481	56,144	173,339	402,090	221,010	2,047,656

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B1 Segment information (continued)

Net asset value adjusted for water rights

The chief operating decision maker of RFF assesses the segments on property asset values adjusted for water rights. RFF owns permanent water rights and entitlements which are recorded at historical cost less accumulated impairment losses. Such rights have an indefinite life and are not depreciated. The carrying value is tested annually for impairment as well as for possible reversal of impairment. If events or changes in circumstances indicate impairment, or reversal of impairment, the carrying value is adjusted to take account of impairment losses.

The book value of the water rights (including investments in BIL and CICL recognised as financial assets) at 30 June 2025 is \$210,987,000 (2024: \$213,708,000).

Independent valuations on the Group's properties are obtained, ensuring that each property will have been independently valued every two years or more often where appropriate with the exception of Mayneland and Baamba Plains which were sold in part during the year. Independent valuation reports assess and provide value for properties in their entirety. The independent valuation reports contain information with which judgement is applied in order to allocate values to investment property, bearer plants and water entitlements. The Directors have taken into account the most recent valuations on each property and consider that they remain a reasonable estimate and, on this basis, the fair value of water entitlements before deferred tax adjustments at 30 June 2025 was \$361,228,000 (2024: \$360,150,000) representing the value of the water rights of \$150,241,000 (2024: \$146,442,000) above cost.

The following is a reconciliation of the book value at 30 June 2025 to an adjusted value based on the Directors' valuation of the water rights which are assessed by the chief operating decision maker.

	Per Statutory Consolidated Statement of Financial Position \$'000	Revaluation of water entitlements per Directors' valuation \$'000	Directors' valuation (Adjusted) \$'000
Assets			
Total current assets	57,617	-	57,617
Total non-current assets	1,854,105	150,241	2,004,346
Total assets	1,911,722	150,241	2,061,963
Liabilities			
Total current liabilities	71,618	-	71,618
Total non-current liabilities	791,220	-	791,220
Total liabilities (excluding net assets attributable to unitholders)	862,838	-	862,838
Net assets attributable to unitholders	1,048,884	150,241	1,199,125
Net asset value per unit (\$)	2.69	0.39	3.08

Rural Funds Group

Notes to the Financial Statements

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B1 Segment information (continued)

		2025 Adjusted property value \$'000	2024 Adjusted property value \$'000	Most Recent Independent Valuation	
2025	Area ¹			Date	Valuation \$'000
Almonds					
Yilgah (NSW)	935 ha	98,890	111,566	May 2024*	111,500
Tocabil (NSW)	603 ha	63,863	61,523	May 2025	64,000
Kerarbury (NSW)	2,530 ha	287,625	280,269	May 2025	288,000
Cattle					
Rewan (QLD)	17,479 ha	72,749	72,455	Jul 2024	72,600
Mutton Hole (QLD)	140,300 ha	19,700	19,370	May 2025	19,700
Oakland Park (QLD)	85,500 ha	10,150	10,074	May 2025	10,150
Natal Aggregation (QLD)	390,600 ha	186,000	184,032	May 2025	186,000
Comanche (QLD)	7,600 ha	36,239	36,128	May 2024	36,250
Cerberus (QLD)	8,280 ha	26,177	26,088	May 2024	25,900
Dyamberin (NSW)	1,728 ha	23,235	23,235	Sep 2023	23,235
JBS Feedlots Finance Lease Receivable (NSW/QLD)	150,000 hd	66,733	65,160	N/A	N/A
Woodburn (NSW)	1,063 ha	-	12,540	Sep 2023	12,539
Cobungra (VIC)	6,497 ha	52,854	52,764	Feb 2024	52,700
Petro (WA)	2,942 ha	16,850	17,386	Jan 2025	16,850
High Hill (WA)	1,601 ha	9,240	8,995	Jan 2025	9,240
Willara (WA)	1,653 ha	8,770	8,261	Jan 2025	8,770
Yarra (QLD)	4,090 ha	34,867	33,478	May 2024	27,200
Homehill (QLD)	4,925 ha	20,825	20,825	May 2024	20,825
Coolibah aggregation (QLD)	724 ha	5,660	5,660	May 2024	5,660
Thirsty Creek (QLD)	503 ha	6,997	6,785	April 2025	6,997
Kaiuroo (QLD)	27,879 ha	84,938	75,516	Aug 2024	77,000
Wyseby (QLD)	14,071 ha	34,974	34,952	Jul 2024	34,951
Cropping					
Lynora Downs (QLD)	4,963 ha	50,719	45,578	Jul 2024	50,000
Mayneland (QLD)	2,942 ha	16,933	30,511	Jun 2023	28,550
Baamba Plains	4,130 ha	23,341	45,183	Jun 2023	37,450
Maryborough - Cropping (QLD)	2,059 ha	35,031	39,460	Oct 2023	38,780
Swan Ridge South (QLD)	123 ha	2,002	2,002	Sep 2024	2,000
Macadamias					
Swan Ridge (QLD)	130 ha	26,049	23,420	Sep 2024	22,350
Moore Park (QLD)	104 ha	16,651	17,801	Sep 2024	16,950
Bonmac (QLD)	27 ha	4,310	4,572	Sep 2024	4,400
Cygnat and Nursery Farm - TRG (QLD)	78 ha	10,431	9,609	Apr 2025	10,400
Riverton - TRG (QLD)	422 ha	53,289	44,726	Apr 2025	51,900
Maryborough - TRG (QLD)	1,509 ha	151,242	131,179	Apr 2025	147,900
Rookwood Farms - TRG (QLD)	1,004 ha	95,859	76,306	Apr 2025	92,850
Rookwood Farms (QLD)	N/A	16,275	14,953	Apr 2025	15,655
Beerwah (QLD)	340 ha	35,975	36,770	Sep 2024	37,300
Bauple (QLD)	135 ha	19,473	19,093	Sep 2024	20,000

Valuations are encumbered unless not applicable (for example where a property is not subject to lease or at acquisition)

¹Unless otherwise denoted, the almond, vineyard and macadamia areas refer to planted and planned development areas. Wyseby held as tenant-in-common arrangement with a 57.25% interest.

*Refer to *Revaluations from external valuations* on page 29.

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Notes to the Financial Statements

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		2025 Adjusted property value \$'000	2024 Adjusted property value \$'000	Most Recent Independent Valuation		
2025				Date	Valuation \$'000	
Vineyards						
	Kleinig (SA)	206 ha	21,753	20,100	Jun 2024	20,100
	Geier (SA)	244 ha	24,676	23,700	Jun 2024	23,700
	Hahn (SA)	50 ha	3,892	4,000	Jun 2024	4,000
	Mundy and Murphy (SA)	55 ha	4,673	4,400	Jun 2024	4,400
	Rosebank (VIC)	83 ha	3,676	3,700	Jun 2024	3,700
Water rights						
	River water (NSW)*	8,754 ML	74,408	76,597	Jun 2025	74,408
	River water (QLD)	600 ML	394	394	N/A	N/A
	Rookwood Weir (QLD)	7,727 ML	13,941	13,140	N/A	N/A
	Ground water (NSW)	8,338 ML	39,902	34,900	Jun 2025	39,902
Total property and water assets			1,912,231	1,889,156	1,856,762	
	Cattle finance leases and other assets		20,078	21,910		
	Plant and equipment - other		19,345	35,245		
	Other receivables and equipment leases		23,903	5,401		
Total adjusted property assets			1,975,557	1,951,712		

*2,254 ML of River water (NSW) was held for sale as at 30 June 2025

Revaluations from external valuations

All of the Group's properties have been valued by an independent valuer within the last 24 months with the exception of Mayneland and Baamba Plains which were sold in part during the year. Further information on the significant unobservable inputs adopted by the external valuer in the fair value measurement of the properties is described in note C1.

In relation to the Yilgah property, the fair value adopted for statutory reporting is based on an unencumbered (vacant possession) basis as the Group is in discussions with the tenant as part of the rent review process.

The Group's unleased macadamia properties have been valued on an unencumbered (vacant possession) basis.

Adjusted property values movements after the most recent independent valuation

Increases to the adjusted property value from the last valuation is primarily a result of new acquisitions or capital expenditure subsequent to the valuation, designed to improve an asset's productivity and value.

Decrease to adjusted property value from last valuation for properties is primarily a result of depreciation on owner occupied property and bearer plants (where relevant).

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Notes to the Financial Statements

30 June 2025

B2 Adjusted funds from operations (AFFO)

The following presents the components of adjusted funds from operations (AFFO) and provides a reconciliation from AFFO to Net profit after income tax which is assessed by the chief operating decision maker.

	2025 \$'000	2024 \$'000
Revenue	107,531	88,372
Other income	2,378	2,279
Management fee	(10,836)	(9,976)
Asset management fee	(8,127)	(7,482)
Property expenses	(3,686)	(3,451)
Other expenses	(7,571)	(7,402)
Finance costs	(27,802)	(20,567)
Income tax payable (AWF)	(692)	(644)
Revenue adjustments		
Rental revenue - prepaid rent (TRG macadamias and TRG cropping)	1,201	7,529
Prepaid rent recognised (TRG macadamias and TRG cropping)	(462)	-
Lease incentive amortisation (TRG macadamias)	206	68
Straight-lining of rental revenue	(8,134)	(3,203)
Interest component of JBS feedlot finance lease	(1,573)	(2,172)
Farming operations		
Revenue from farming operations	21,284	21,391
Other income - farming operations	383	461
Cost of goods sold - farming operations	(20,536)	(20,629)
Change in fair value of biological assets (harvested crops and cattle)	6,351	6,352
Change in fair value of biological assets (prior year biological assets realised during the year)	946	(581)
Property and other expenses - farming operations	(6,717)	(8,822)
Share of profit - Cotton JV Pty Ltd	524	-
Farming cost recovery (TRG cropping)*	40	850
Adjusted Funds From Operations (AFFO)	44,708	42,373
Property related		
Change in fair value of investment property	6,003	58,057
Reversal of impairment / (impairment) of bearer plants	177	(128)
Impairment of property - owner occupied	(788)	(558)
Reversal of impairment of intangible assets	2,402	1,400
Depreciation - bearer plants	(12,043)	(11,271)
Depreciation - property owner occupied	(1,012)	(946)
Depreciation and impairments - other	(2,736)	(3,546)
(Loss) / Gain on sale of assets	(211)	444
Revenue items		
Rental revenue - prepaid rent (TRG macadamias and TRG cropping)	(1,201)	(7,529)
Prepaid rent recognised (TRG macadamias and TRG cropping)	462	-
Lease incentive amortisation (TRG macadamias)	(206)	(68)
Straight-lining of rental revenue	8,134	3,203
Interest component of JBS feedlot finance lease	1,573	2,172
Share of net loss of investments accounted for using the equity method	(316)	-
Farming operations		
Change in fair value of biological assets (unharvested crops and unsold cattle)	1,930	725
Change in fair value of biological assets (prior year biological assets realised during the year)	(946)	581
Farming cost recovery (TRG cropping)*	850	(850)
Share of profit - Cotton JV Pty Ltd	(524)	-
Other		
Change in fair value of financial assets	449	154
Change in fair value of interest rate swaps	(20,274)	(3,297)
Income tax expense	(355)	(475)
Net profit after income tax	26,076	80,441
AFFO cents per unit	11.5	11.0

* Contracted farming cost recovery (TRG cropping) recognised in AFFO for the year ended 30 June 2024, realised in net profit before income tax for year ended 30 June 2025.

Rural Funds Group

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B3 Revenue

	2025	2024
	\$'000	\$'000
Rental revenue	92,536	73,669
Sale of agricultural produce - farming operations	16,447	15,151
Sale of livestock and agistment income	4,837	6,240
Finance income	14,441	13,609
Interest received	554	1,094
Total	128,815	109,763

The Group's revenue is largely comprised of income under leases and finance income. All revenue is stated net of the amount of goods and services tax (GST).

Rental revenue primarily arises from the leasing of property assets at commencement and is accounted for on a straight-line basis over the period of the lease. The respective leased assets are included in the Consolidated Statement of Financial Position based on that nature.

Sale of agricultural produce and livestock is recognised when the performance obligation of passing control of agricultural produce and livestock at an agreed upon delivery point to the customer has been satisfied.

Finance income arises from the provision of financial guarantees and working capital loans, finance leases on cattle feedlots and cattle breeders and leased agricultural plant and equipment and recognised on an accrual basis using the effective interest rate method.

Other Income

	2025	2024
	\$'000	\$'000
Sale of temporary water allocations	2,084	1,811
Other income	1,567	929
Total	3,651	2,740

Lease and sale of temporary water allocations is recognised when the annual water allocations are received by the customer.

Expenses

Expenses such as Responsible Entity fees, property expenses and overheads are recognised on an accruals basis. Interest expenses are recognised on an accrual basis using the effective interest method.

B4 Earnings per unit

	2025	2024
Per stapled unit		
Net profit after income tax for the year (\$'000)	26,076	80,441
Weighted average number of units on issue during the year (thousands)	389,401	386,900
Basic and diluted earnings per unit (total) (cents)	6.70	20.79
Per unit of Rural Funds Trust		
Net profit after income tax for the year (\$'000)	31,456	83,247
Weighted average number of units on issue during the year (thousands)	389,401	386,900
Basic and diluted earnings per unit (total) (cents)	8.08	21.52
Per unit of RF Active		
Net loss after income tax for the year (\$'000)	(5,380)	(2,806)
Weighted average number of units on issue during the year (thousands)	389,401	386,900
Basic and diluted earnings per unit (total) (cents)	(1.38)	(0.73)

Rural Funds Group

Notes to the Financial Statements

30 June 2025

B4 Earnings per unit (continued)

Basic earnings per unit are calculated on net profit attributable to unitholders of the Group divided by the weighted average number of issued units.

B5 Distributions

The Group paid and declared the following distributions during the year:

	Cents per unit	Total \$
Distribution declared 3 June 2024, paid 31 July 2024	2.9325	11,385,227
Distribution declared 2 September 2024, paid 31 October 2024	2.9325	11,405,842
Distribution declared 2 December 2024, paid 31 January 2025	2.9325	11,428,627
Distribution declared 3 March 2025, paid 30 April 2025	2.9325	11,428,627
Distribution declared 2 June 2025, paid 31 July 2025	2.9325	11,428,627

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C. PROPERTY ASSETS

This section includes detailed information regarding RFF's properties, which are made up of multiple line items on the Consolidated Statement of Financial Position including Investment property, Plant and equipment – bearer plants, Financial assets – property related, Intangible assets, Property – owner occupied and Plant and equipment – other.

C1 RFF property assets

		2025 \$'000	2024 \$'000
Investment property	C2	1,058,791	1,003,241
Plant and equipment - bearer plants	C3	247,330	248,842
Financial assets - property related	C4	122,233	103,790
Intangible assets	C5	199,003	201,724
Property - owner occupied	C6	164,808	169,796
Plant and equipment - other	C7	19,345	29,001
Asset held for sale	C8	13,806	48,876
Total		1,825,316	1,805,270

Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties, bearer plants, water rights and plant and equipment not recognised in the financial statements, are receivable as follows:

	2025 \$'000	2024 \$'000
Within 1 year	78,955	70,745
Between 1 and 2 years	70,843	71,942
Between 2 and 3 years	65,116	65,741
Between 3 and 4 years	61,438	61,646
Between 4 and 5 years	55,378	59,276
Later than 5 years	1,040,532	1,035,426
Total	1,372,262	1,364,776

Key changes to the property portfolio during the year:

- During the year, the Group completed the sale of three Maryborough cropping properties previously contracted.
- In December 2024, the Group completed the sale of 50% interest in Mayneland and Baamba Plains to a company managed by The Rohatyn Group.
- In March 2025, the Group completed the sale of the Woodburn property for \$12,750,000.

Macadamia development

The Group is developing macadamia orchards across a number of properties located in Queensland, Australia. As part of the development, costs relating to the acquisition, construction and development of macadamia orchards will be capitalised to the respective asset class that the cost relates to. The asset classes identified are investment property, bearer plants and water entitlements.

Investment Property

This includes costs associated with the acquisition for land, buildings, orchard and irrigation infrastructure and any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Bearer Plants

This includes costs associated with the acquisition of macadamia trees, planting costs, growing costs incurred for the trees to reach maturity including fertiliser and watering costs and costs associated with establishing the macadamia trees in the orchard and bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C1 RFF property assets (continued)

Macadamia development (continued)

Water entitlements

This includes costs associated with the purchase of water entitlements. Water entitlements are deemed ready for use on acquisition.

Borrowing costs

Borrowing costs may be capitalised on qualifying assets up until the property is deemed ready for use. Borrowing costs relating to the acquisition, construction and development of properties are capitalised to the respective asset classes up until the property is deemed ready for use. Properties could be deemed ready for use when the property has been leased or when the property is operating in a manner as intended by management, for example, a macadamia orchard may be deemed operational when the orchard is fully planted and the plantings have been established.

Total borrowing costs capitalised during the year ended 30 June 2025 was \$10,672,000 (2024: \$12,695,000).

Valuations

Independent valuations on the Group's properties are obtained, ensuring that each property will have been independently valued every two financial years or more often where appropriate with the exception of Mayneland and Baamba Plains which were sold in part during the year. Independent valuers engaged hold recognised and relevant professional qualifications with experience in agricultural properties.

The following existing properties had relevant independent valuations during the year ended 30 June 2025:

Almond properties	Kerarbury, Tocabil
Cattle properties	Rewan, Kaiuroo, Natal Aggregation, Oakland Park, Mutton Hole, Petro, High Hill, Willara, Wyseby
Macadamia properties	Swan Ridge, Moore Park, Bonmac, Cygnet, Nursery Farm, Riverton, Maryborough – TRG, Rookwood Farms – TRG, Rookwood Farms, Beerwah, Bauple
Cropping properties	Lynora Downs, Swan Ridge South
Water allocations	8,338ML Murrumbidgee Groundwater, 8,754ML Murrumbidgee Riverwater

The fair value adopted for the following property was updated based on information available to Directors as at 30 June 2025:

Almond properties	Yilgah
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The Directors have considered independent valuations and market evidence where appropriate to determine the appropriate fair value to adopt. The Directors have adopted all valuations from independent valuers in the periods where valuations have been obtained. In relation to the Yilgah property, the Group is in discussions with the tenant as part of the rent review process, and as such, the valuation adopted for statutory reporting is an unencumbered valuation. The valuation adopted for this property has been calculated based on an estimate of the performance of the orchard and the underlying components of the orchard, including the land, infrastructure, water entitlements and the bearer plants.

The Directors have deemed that independent valuations were not required on the remaining properties as there have been no material changes to the industry, physical and geographical conditions of these properties in which the independent valuers have previously assessed. For these properties, the Directors have performed internal assessments, considering the latest valuation reports, that the carrying amount is still reflective of the fair value of the properties at reporting date.

The Group's properties, including those under development, are carried at fair value excluding the value of water rights. Water rights are treated as intangible assets, which are held at historical cost less accumulated impairment losses. Independent valuation reports assess and provide value for properties in its entirety. The independent valuation reports contain information with which judgement is applied in order to allocate values to investment property, bearer plants, property – owner occupied and water entitlements, where relevant.

Judgement is applied in order to allocate the total property value, as disclosed in the independent valuation reports, to each component; investment property, bearer plants and water entitlements. The allocation technique will vary depending on the nature of the underlying lease arrangement.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C1 RFF property assets (continued)

Valuations (continued)

Where information is available, such as when provided by the external valuer, each component of the property, meaning the land and infrastructure, the trees and any water assets, disclosed in the financial statements as investment property, bearer plants and water entitlements, will be allocated on an encumbered (subject to lease) basis. Conditions associated with individual assets are considered as part of the valuation allocation.

If this information is not available, the valuation report may provide additional information, such as the summation basis of the unencumbered (vacant possession) value, which along with other sources, including the nature of capital expenditure on the property, is used to determine the encumbered allocation to components.

Judgement is applied as part of these allocations which vary from property to property given the individual circumstances of the leasing arrangements. The allocation technique may change to reflect the best estimate of fair value attributable to each component at reporting date.

Significant accounting judgements, estimates and assumptions in relation to valuation of property assets

At the end of each reporting period, the Directors update their assessment of fair value of each property, considering the most recent independent valuations. The Directors determine a property's value using reasonable fair value estimates from the most recent independent valuer's valuation reports.

Independent valuation reports assess and provide fair values for properties in their entirety. Judgement is applied in order to allocate the total property values as disclosed in the independent valuation reports, to investment property, bearer plants, property – owner occupied and water entitlements. The independent valuation reports contain information with which judgement is applied to allocate values to investment property, bearer plants, property – owner occupied and water entitlements.

Investment property, Bearer plants and Property – owner occupied

The main level 3 inputs used by the Group include discount rates, terminal capitalisation rates, rate per area of land, adult equivalent rates and carrying capacity estimated in the respective valuations based on comparable transactions and industry data.

At the end of each reporting period, the directors update their assessment of the fair value of each property. Changes in level 3 fair values are analysed at each reporting date and during discussions with the independent valuers.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C1 RFF property assets (continued)

Valuations (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurement:

Description (excludes water assets)	Fair value at		Primary valuation technique	Allocation technique	Unobservable inputs*	Range of inputs	
	2025 \$'000	2024 \$'000				2025 %	2024 %
Almond orchard property	284,975	293,233	Discounted Cash Flow (encumbered)	Rental base	Discount rate (%)	7.25 – 14.50	7.25 - 8.00
			Discounted Cash Flow (unencumbered)	Component based	Terminal Capitalisation Rate (%) (encumbered)	7.75 – 8.00	7.75 - 10.00
Cattle property and infrastructure	628,062	627,775	Summation assessment	Component based	\$ per adult equivalent (AE) carrying capacity (Backgrounding properties)	\$6,128 - \$12,174	\$5,793 - \$11,829
			Productive unit		\$ per adult equivalent (AE) carrying capacity (Breeder properties)	\$1,654 - \$3,509	\$1,630 - \$3,489
Vineyard property and infrastructure	53,969	51,199	Discounted Cash Flow	Component based	Discount rate (%)	8.25	8.25
					Terminal Capitalisation rate (%)	8.50 - 9.00	8.50 - 9.00
Cropping property and infrastructure	126,669	152,873	Summation assessment	Component based	\$ per irrigated hectare per property	\$16,190 - \$21,090	\$15,770 - \$21,090
					Average \$ per plantable hectare (Maryborough)	\$20,883	\$20,443
Macadamia orchard property	391,060	339,431	Discounted Cash Flow	Rental base	Discount rate (%)	8.25	8.25
			Summation assessment	Component based	Terminal Capitalisation rate (%)	6.50 – 6.75	6.50 - 7.00
					Average \$ per planted hectare (Orchard > 5 years)	\$133,218	\$132,121
					Average \$ per planted/plantable hectare (Orchard < 5 years)	\$95,992	\$89,291
Total	1,484,735	1,464,511					

*There were no significant inter-relationships between unobservable inputs that materially affect fair values. Unobservable inputs are based on assessments by external valuers.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C1 RFF property assets (continued)

Valuations (continued)

Primary valuation technique

External valuations typically assess property values using different valuation techniques.

Discounted cash flow (encumbered)	Valuation based on future net rental cash flows discounted to the present value. The terminal value (as determined by the terminal capitalisation rate) is typically assessed and discounted in these types of valuations. The valuer may also use comparative sales as supporting information.
Discounted cash flow (unencumbered)	Valuation based on future net cash flows discounted to the present value. The terminal value (as determined by the terminal capitalisation rate) is typically assessed and discounted in these types of valuations.
Summation assessment	Assessment of the property on an asset-by-asset basis based on comparative sales evidence and typically driven by a rate per productive hectare and assessment of other components such as water and supporting buildings.
Productive unit	Assessment on the property driven by the value per adult equivalent head that is supported by the property and carrying capacity of the property.
Rent capitalisation	Valuation based on passing rent applied against a capitalisation rate.

Allocation technique

Independent valuation reports assess and provide value for properties in their entirety. Component allocation techniques are adopted to allocate the total property value to investment property, bearer plants, property – owner occupied and water entitlements. The component allocation technique applied is assessed on each external valuation to ensure that the allocation technique is consistent with the nature and characteristics of the property including any lease encumbrances. The allocation technique may change to reflect the best estimate of fair value attributable to each component at reporting date.

The following allocation techniques have been applied:

Rental base	Applied for properties with long term indexed leases by allocating value to component assets using the rental base. The rental base is identifiable and generally determined by the cost of the assets. The allocation by rental base reflects the encumbered nature of the assets where rental incomes are not affected by short term market fluctuations in the value of the assets due to lack of rental review mechanism.
Component based	The encumbered value is allocated based on information in the valuation report which enables the allocation by components on an encumbered basis. Conditions associated with individual assets are considered as part of the valuation allocation. To determine the allocation of components on an encumbered basis, the external valuer will assess various factors such as market indicators, comparable sales data of encumbered assets, comparable rental data and other relevant information such as replacement cost concepts.
Component based – Almonds and Macadamias	Applied for properties where leases include rental reviews. Information is provided in the valuation to allocate the encumbered value of the property to water assets, investment property and bearer plants on an encumbered basis. Firstly, the approach allocates value to water assets based on comparable encumbered rental data. The value of land is determined based on comparable sales data. Orchard infrastructure including irrigation is determined based on a replacement cost assumption adjusted for an estimate of the age of the assets. Bearer plants are identified as being the residual value of the total encumbered value of the property.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C1 RFF property assets (continued)

Valuations (continued)

Unobservable inputs

Unobservable inputs are assumptions based on the assessments and determinations made by external valuers in their capacity as qualified experts which are key inputs in the valuation techniques utilised.

Discount rate (%)	The higher the discount rate the lower the fair value
Terminal capitalisation rate (%)	The higher the terminal capitalisation rate the lower the fair value
\$ per irrigated/planted hectare	The higher the value per irrigated/planted hectare, the higher the fair value
Average \$ per plantable hectare	The higher the value per plantable hectare, the higher the fair value
\$ per adult equivalent carrying capacity	The higher the value per adult equivalent carrying capacity, the higher the fair value

Rural Funds Group

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30 June 2025

C2 Investment property

2025	Almond property \$'000	Cattle property \$'000	Vineyard property \$'000	Cropping property \$'000	Macadamia property \$'000	Total \$'000
Opening net book amount	167,334	535,575	33,253	71,372	195,707	1,003,241
Acquisitions	-	-	-	-	524	524
Additions	5,214	3,322	2,477	2,285	30,039	43,337
Capitalisation of borrowing costs	-	-	-	1,556	2,616	4,172
Classified as held for sale	-	-	-	(5,679)	-	(5,679)
Disposal	-	(12,540)	-	(1,229)	-	(13,769)
Transfer from property - owner occupied	-	-	-	21,162	-	21,162
Amortisation of lease incentives	-	(200)	-	-	-	(200)
Fair value adjustment	1,568	87	-	4,387	(39)	6,003
Closing net book amount	174,116	526,244	35,730	93,854	228,847	1,058,791

2024	Almond property	Cattle property	Vineyard property	Cropping property	Macadamia property	Total
Opening net book amount	163,663	503,945	35,442	83,440	136,915	923,405
Additions	3,254	8,841	327	5,851	40,795	59,068
Capitalisation of borrowing costs	-	1,054	-	1,396	3,261	5,711
Classified as held for sale	-	-	-	(17,136)	-	(17,136)
Transfer	-	-	-	58	(58)	-
Transfer to property - owner occupied	-	(25,677)	-	-	-	(25,677)
Transfer from bearer plants	-	-	-	-	13	13
Amortisation of lease incentives	-	(200)	-	-	-	(200)
Fair value adjustment	417	47,612	(2,516)	(2,237)	14,781	58,057
Closing net book amount	167,334	535,575	33,253	71,372	195,707	1,003,241

Investment properties comprise land, buildings and integral infrastructure including shedding, irrigation and trellising.

Macadamia properties under development during the year include Maryborough – Macadamias and Rookwood Farms. Development costs for these properties have been capitalised.

Investment properties are held for long-term rental yields and capital growth and are not occupied by the Group. RFF measures and recognises investment property at fair value where the valuation technique is based on unobservable inputs. Changes in fair value are presented through profit or loss in the Consolidated Statement of Comprehensive Income.

Capital expenditure that enhances the future economic benefits of the assets are capitalised to investment property. Incentives provided are capitalised to the investment property and amortised on a straight-line basis over the term of the lease as a reduction to rental revenue.

Rural Funds Group

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30 June 2025

C3 Plant and equipment – bearer plants

2025	Bearer Plants - Almonds \$'000	Bearer Plants - Vineyards \$'000	Bearer Plants - Macadamias \$'000	Total \$'000
Opening net book amount	125,899	17,946	104,997	248,842
Additions	94	1,374	8,213	9,681
Capitalisation of borrowing costs	-	-	242	242
Lease incentive	-	-	7,758	7,758
Amortisation of lease incentive	-	-	(206)	(206)
Depreciation	(6,365)	(1,081)	(4,597)	(12,043)
Fair value adjustment – profit and loss	-	-	177	177
Fair value adjustment - other comprehensive income	(8,769)	-	1,648	(7,121)
Closing net book amount	110,859	18,239	118,232	247,330

2024	Bearer Plants - Almonds \$'000	Bearer Plants - Vineyards \$'000	Bearer Plants - Macadamias \$'000	Total \$'000
Opening net book amount	129,121	19,172	69,407	217,700
Additions	32	-	12,402	12,434
Capitalisation of borrowing costs	-	-	191	191
Transfer to investment property	-	-	(13)	(13)
Lease incentive	-	-	2,645	2,645
Amortisation of lease incentive	-	-	(68)	(68)
Depreciation	(6,241)	(1,089)	(3,941)	(11,271)
Fair value adjustment - profit and loss	-	(416)	288	(128)
Fair value adjustment - other comprehensive income	2,987	279	24,086	27,352
Closing net book amount	125,899	17,946	104,997	248,842

Bearer plants are solely used to grow produce over their productive lives and are accounted for under AASB 116 *Property, Plant and Equipment*.

RFF initially measures and recognises bearer plants at cost, including planting costs and direct costs associated with establishing these plants to maturity. After initial measurement, the Group adopts the revaluation model and bearer plants are carried at fair value less any accumulated depreciation and accumulated impairment losses.

Bearer plants are subject to revaluations based on the Group's valuation policies. Increases in the carrying amounts arising from revaluation of bearer plants are recognised in other comprehensive income and accumulated in net assets attributable to unitholders under asset revaluation reserve. Revaluation increases which reverse a decrease previously recognised in profit and loss are recognised in profit or loss. Revaluation decreases which offset previous increases are recognised in other comprehensive income in the asset revaluation reserve. Any other decreases are recognised in profit and loss.

Lease incentives relate to orchard establishment costs incurred by the Group subsequent to lease commencement. Lease incentives are capitalised to bearer plants and amortised on a straight-line basis over the term of the lease as a reduction of rental revenue.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C3 Plant and equipment – bearer plants (continued)

Bearer plants are subject to depreciation over their respective useful lives calculated on a straight-line basis on the carrying amount. Depreciation commences when bearer plants are assumed ready for use which is considered to be when the trees reach maturity or on the commencement of lease. The useful lives and maturity assumptions used for each class of depreciable asset are shown below:

Fixed asset class:	Useful life:
Almond bearer plants	30 years
Vineyard bearer plants	40 years
Macadamia bearer plants	45 - 55 years

At the end of each annual reporting period, the useful life, maturity assumptions and carrying amount of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Bearer plants as stated on a historical cost basis is as follows:

	2025	2024
	\$'000	\$'000
Cost	206,595	196,671
Accumulated depreciation	(41,258)	(31,362)
Accumulated impairment	(2,333)	(2,564)
Bearer plants at historical cost less accumulated impairment	163,004	162,745

C4 Financial assets – property related

	2025	2024
	\$'000	\$'000
Financial Assets - property related		
Investment - BIL	520	520
Investment - CICL	11,464	11,464
Finance Lease - Breeders	19,613	18,864
Finance Lease - Feedlots	66,733	65,160
Finance Lease - Equipment	10,498	130
Finance Lease - DA & JF Camm Pty Limited	-	2,381
Other receivables - straight-line asset	13,405	5,271
Total	122,233	103,790

Barossa Infrastructure Ltd (BIL) is an unlisted public Company supplying non-potable supplementary irrigation water for viticulture in the Barossa. The Group holds a minority interest in BIL.

Coleambally Irrigation Co-operative Limited (CICL) is one of Australia's major irrigation companies and is wholly owned by its farmer members. CICL's irrigation delivery system delivers water to 400,000 hectares of area across the Coleambally Irrigation District, in the Riverina, near Griffith, NSW. The Group holds a minority interest in CICL.

Finance Lease – Breeders is comprised of breeders owned by the Group which have been leased to Cattle JV, a wholly-owned subsidiary of Rural Funds Management Limited, for a term of ten years ending in 2028. As part of the arrangement, the lessee is required to maintain the breeder herd and maintain an active breeding program. The expected credit loss on the finance lease is assessed on the value of the breeder herd secured against the finance lease. This assessment involves the monitoring of the value of the breeder herd through a bi-annual mustering process conducted by the lessee, Cattle JV and an annual valuation process. There has been no expected credit loss recognised at 30 June 2025 (2024: nil).

Finance Lease – Feedlots is comprised of feedlots leased to JBS Australia Pty Limited (JBS) for a term of ten years ending in 2028 with a repurchase call option exercisable by JBS and a sale put option exercisable by the Group. The call option held by JBS can be exercised from year six but will incur a break fee if exercised before year ten.

Rural Funds Group

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30 June 2025

C4 Financial assets – property related (continued)

Finance Lease – DA & JF Camm Pty Limited is comprised of cattle owned by the Group and leased to DA & JF Camm Pty Limited, the lessee of the Natal aggregation, as part of a \$5,000,000 facility. The gross balance drawn as at 30 June 2025 was nil (2024: \$2,381,000). The balance drawn net of security deposits held is nil (2024: \$1,871,000). There has been no expected credit loss recognised at 30 June 2025 (2024: nil).

Finance Lease – Equipment largely comprises of plant and equipment leased to a company managed by TRG used for the operation of the leased macadamia orchards.

Other receivables relate to recognition of rental revenue on a straight-line basis in accordance with AASB 16 *Leases*.

Significant accounting judgements in the valuation of Coleambally Irrigation Co-operative and Barossa Infrastructure Limited shares

The investments in BIL and CICL are treated the same as water rights, that is, recorded at historical cost less accumulated impairment losses and not revalued.

Finance leases

Finance leases are measured at amortised cost. Each lease payment was allocated as a reduction to the finance lease receivable and as finance income. The finance income was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period. These represent leases of property or biological assets where all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are substantially transferred from the lessor.

Minimum lease payments receivable under non-cancellable finance leases of feedlots, breeders and equipment not recognised in the financial statements, are receivable as follows:

	2025	2024
	\$'000	\$'000
Within 1 year	28,803	6,125
Between 1 and 2 years	6,911	24,882
Between 2 and 3 years	6,479	4,516
Between 3 and 4 years	67,545	4,490
Between 4 and 5 years	562	65,295
Later than 5 years	14	-
Total	110,314	105,308

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Notes to the Financial Statements

30 June 2025

C5 Intangible assets

Intangible assets are made up of water rights and entitlements. Refer to note B1 for Directors' valuation of water rights and entitlements.

2025	Almonds \$'000	Cattle \$'000	Vineyards \$'000	Cropping \$'000	Macadamias \$'000	Unallocated \$'000	Total \$'000
Non-current							
Opening net book amount	66,707	21,437	500	6,831	26,251	79,998	201,724
Additions	-	507	-	875	-	43	1,425
Capitalisation of borrowing costs	-	419	-	70	368	757	1,614
Classified as held for sale	-	-	-	-	-	(8,127)	(8,127)
Disposals	-	-	-	(35)	-	-	(35)
Reversal of impairment / (impairment)	-	125	-	33	(1,211)	3,455	2,402
Closing net book amount	66,707	22,488	500	7,774	25,408	76,126	199,003
Cost	67,462	23,360	500	8,045	26,722	76,159	202,248
Accumulated impairment	(755)	(872)	-	(271)	(1,314)	(33)	(3,245)
Net book amount	66,707	22,488	500	7,774	25,408	76,126	199,003
2024	Almonds \$'000	Cattle \$'000	Vineyards \$'000	Cropping \$'000	Macadamias \$'000	Unallocated \$'000	Total \$'000
Non-current							
Opening net book amount	66,707	14,831	500	11,966	6,954	66,030	166,988
Additions	-	6,397	-	-	15,995	13,140	35,532
Capitalisation of borrowing costs	-	369	-	165	380	-	914
Transfers	-	-	-	(2,190)	2,910	(720)	-
Disposals	-	-	-	(3,110)	-	-	(3,110)
(Impairment)/reversal of impairment	-	(160)	-	-	12	1,548	1,400
Closing net book amount	66,707	21,437	500	6,831	26,251	79,998	201,724
Cost	67,462	22,434	500	7,135	26,354	83,486	207,371
Accumulated impairment	(755)	(997)	-	(304)	(103)	(3,488)	(5,647)
Net book amount	66,707	21,437	500	6,831	26,251	79,998	201,724

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C5 Intangible assets (continued)

Water rights

Permanent water rights and entitlements are recorded at historical cost less accumulated impairment losses. Such rights have an indefinite life and are not depreciated. The carrying value is tested annually for impairment as well as for possible reversal of impairment. If events or changes in circumstances indicate impairment, or reversal of impairment, the carrying value is adjusted to take account of impairment losses.

C6 Property – owner occupied

2025	Land	Building	Irrigation	Total
	\$'000	\$'000	\$'000	\$'000
Opening net book amount	140,612	12,580	16,604	169,796
Additions	2,832	6,043	3,702	12,577
Capitalisation of borrowing costs	4,277	123	244	4,644
Transfer to investment property	(14,417)	(2,131)	(4,614)	(21,162)
Disposals	(94)	(98)	(419)	(611)
Depreciation	-	(626)	(386)	(1,012)
Fair value adjustment – profit and loss	(341)	(452)	5	(788)
Fair value adjustment - other comprehensive income	1,237	29	98	1,364
Closing net book amount	134,106	15,468	15,234	164,808

2024	Land	Building	Irrigation	Total
	\$'000	\$'000	\$'000	\$'000
Opening net book amount	129,730	11,154	3,316	144,200
Additions	1,143	1,979	5,362	8,484
Capitalisation of borrowing costs	5,142	229	508	5,879
Transfer from investment property	14,974	1,973	8,730	25,677
Disposals	(16,158)	(2,033)	(4,195)	(22,386)
Depreciation	-	(650)	(296)	(946)
Fair value adjustment – profit and loss	(151)	(305)	(102)	(558)
Fair value adjustment - other comprehensive income	5,932	233	3,281	9,446
Closing net book amount	140,612	12,580	16,604	169,796

Property – owner occupied relates to owner occupied property that is being used to conduct farming operations by the Group and accounted for under AASB 116 *Property, Plant and Equipment*. Property – owner occupied are held under the revaluation model. As at 30 June 2025, this included properties that were operated by the Group including the Maryborough properties (cropping), Beerwah, Bauple, Swan Ridge, Moore Park (macadamias), Yarra (cattle and cropping) and Kaiuroo (cattle and cropping).

These assets are subject to revaluations based on the Group's valuation policies. Increases in the carrying amounts arising from revaluation of Property are recognised in other comprehensive income and accumulated in net assets attributable to unitholders under asset revaluation reserve. Revaluation increases which reverse a decrease previously recognised in profit and loss are recognised in profit or loss. Revaluation decreases which offset previous increases are recognised in other comprehensive income in the asset revaluation reserve. Any other decreases are recognised in profit and loss.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C6 Property – owner occupied (continued)

Elements of Property – owner occupied are subject to depreciation over their respective useful lives calculated on a straight-line basis on the carrying amount. The useful lives and for each class of depreciable asset are shown below:

Fixed asset class:	Useful life:
Land	Not applicable
Buildings	20 years
Irrigation	40 years

At the end of each annual reporting period, the useful life of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Property – owner occupied as stated on a historical cost basis is as follows:

2025	Land \$'000	Building \$'000	Irrigation \$'000	Total \$'000
Cost	125,702	18,400	12,404	156,506
Accumulated depreciation and impairment	(2,219)	(2,808)	(345)	(5,372)
Net book amount	123,483	15,592	12,059	151,134

2024	Land \$'000	Building \$'000	Irrigation \$'000	Total \$'000
Cost	132,311	14,585	17,662	164,558
Accumulated depreciation and impairment	(527)	(2,324)	(4,340)	(7,191)
Net book amount	131,784	12,261	13,322	157,367

C7 Plant and equipment – other

	2025 \$'000	2024 \$'000
Opening net book amount	29,001	27,045
Additions	5,368	12,877
Transfers to financial assets – property related	(8,636)	-
Disposals	(2,530)	(153)
Classified as held for sale	-	(6,244)
Depreciation	(2,724)	(3,456)
Depreciation capitalised to developments	(1,134)	(1,068)
Closing net book amount	19,345	29,001
Cost	37,390	45,534
Accumulated depreciation	(16,723)	(15,211)
Accumulated impairment	(1,322)	(1,322)
Net book amount	19,345	29,001

Classes of plant and equipment other than bearer plants are measured using the cost model as specified below. The asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and removing the asset, where applicable.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

C7 Plant and equipment – other (continued)

The Group manages and monitors its leased assets and physically attends to properties where assets are located on a regular basis.

The useful lives and for each class of depreciable asset are shown below:

Fixed asset class:	Useful life:
Capital works in progress	Not applicable
Plant and equipment	2-16 years
Farm vehicles and equipment	2-16 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss.

C8 Assets held for sale

	Note	2025 \$'000	2024 \$'000
Investment property	C2	5,679	17,136
Intangible assets	C5	8,127	3,110
Property - owner occupied	C6	-	22,386
Plant and equipment - other	C7	-	6,244
Total		13,806	48,876

At 30 June 2025, the Group was actively marketing two Maryborough cropping properties and was in the process of selling 2,254ML of High Security Murrumbidgee River water.

C9 Capital commitments

Capital expenditure across all properties largely relates to macadamia developments, cropping property developments and cattle property developments. These commitments are contracted for but not recognised as liabilities.

	2025 \$'000	2024 \$'000
Investment property	77,856	71,269
Bearer plants	59,583	20,658
Intangible assets	-	2,243
Plant and equipment	803	-
Total	138,242	94,170

Rural Funds Group

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D. TAX

Since 1 July 2014, Rural Funds Trust (a subsidiary of Rural Funds Trust at the time) became a flow through trust for tax purposes. As a result, it is no longer probable that a tax liability will be incurred in these entities in relation to future sale of assets for a gain or through trading. Rural Funds Trust is an attribution managed investment trust (AMIT). RFM Australian Wine Fund (a subsidiary of Rural Funds Trust) is the head of a separate tax consolidated group, taxed in its own right. RF Active (a subsidiary of Rural Funds Trust) is a public trading trust and is taxed as a company. All entities within the Group are tax residents in Australia.

D1 Income tax expense

The charge for current income tax expense is based on the profit adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding in a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged/credited in the Consolidated Statement of Comprehensive Income except where it relates to items that may be credited directly to net assets attributable to unitholders, in which case the deferred tax is adjusted directly against net assets attributable to unitholders.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on management's judgement, the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The major components of income tax expense comprise:

	2025 \$'000	2024 \$'000
Current tax	692	705
Deferred tax	41	414
Adjustments in respect of deferred income tax of previous years	314	-
Income tax expense reported in the Statement of Comprehensive Income	1,047	1,119

Income tax expense is attributable to:

Profit from continuing operations	1,047	1,119
Total	1,047	1,119

Deferred income tax expense included in income tax expense comprises:

Decrease in deferred tax assets	-	918
Increase/(decrease) in deferred tax liabilities	355	(420)
Total	355	498

Amounts charged or credited directly to equity

Change in fair value taken through asset revaluation reserve	-	84
Total	-	84

Rural Funds Group

Notes to the Financial Statements

30 June 2025

D1 Income tax expense (continued)

Numerical reconciliation of income tax expense to prima facie tax payable

	2025	2024
	\$'000	\$'000
Net profit before income tax	27,123	81,560
At the statutory income tax rate of 30% (2024: 30%)	8,137	24,468
Tax effect of amounts that are not taxable in determining taxable income	(8,704)	(24,833)
Derecognition of tax losses	1,300	1,484
Adjustments in respect of tax of previous years	314	-
Total	1,047	1,119

Tax losses

	2025	2024
	\$'000	\$'000
Unused tax losses for which no deferred tax asset has been recognised	22,563	18,230
Potential tax benefit @ 30%	6,769	5,469

The unused tax losses relate to RF Active and can be carried forward indefinitely.

Franking credits

At 30 June 2025 there were \$2,227,000 of franking credits available to apply to future income distributions (2024: \$1,277,000).

D2 Deferred tax and current tax

	2025	2024
	\$'000	\$'000
Deferred tax liabilities		
Bearer plants	2,779	3,041
Plant and equipment	1,132	1,131
Fair value investment property	4,820	4,834
Other assets	1,786	1,674
Gross deferred tax liabilities	10,517	10,680
Set off of deferred tax assets	(2,248)	(2,766)
Net deferred tax liabilities	8,269	7,914
Deferred tax assets		
Investments	(222)	(175)
Intangible assets	12	1,048
Other	157	45
Unused income tax losses	2,301	1,848
Gross deferred tax assets	2,248	2,766
Set off of deferred tax liabilities	(2,248)	(2,766)
Net deferred tax assets	-	-

The deferred tax assets include an amount of \$2,301,000 which relates to carried-forward tax losses in RF Active and RFM Australian Wine Fund. The group expects to be able to recover these losses against taxable income over the following few years.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

D2 Deferred tax and current tax (continued)

Recognised tax assets and liabilities

	Current income tax		Deferred income tax	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Opening balance	(705)	259	(7,914)	(7,416)
Charged to income	(692)	(705)	(355)	(414)
Credited to equity	-	-	-	(84)
Tax payments / (refund)	936	(259)	-	-
Closing balance	(461)	(705)	(8,269)	(7,914)
Tax expense in the Consolidated Statement of Comprehensive Income			1,047	1,119
Amounts recognised in the Consolidated Statement of Financial Position:				
Deferred tax asset			-	-
Deferred tax liability			(8,269)	(7,914)

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E. CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

RFM, the Responsible Entity of RFF, is responsible for managing the policies designed to optimise RFF's capital structure. This is primarily monitored through an internal gearing ratio target range of 30-35% calculated as interest bearing liabilities as a proportion of adjusted total assets. The optimal capital structure is reviewed periodically, although this may be impacted by market conditions which may result in an actual position which may differ from the desired position.

E1 Interest bearing liabilities

	2025	2024
	\$'000	\$'000
Current		
Equipment loans (ANZ)	6,145	5,641
Wyseby facility	24,454	24,454
TRG loan	16,192	5,714
J&F Guarantee - Borrowing loss provision	185	185
Total	46,976	35,994
Non-current		
Borrowings (ANZ)	283,372	290,159
Borrowings (Rabobank)	280,422	286,397
Borrowings (NAB)	139,812	148,050
TRG loan	60,468	27,143
Total	764,074	751,749

Interest bearing liabilities are initially recognised at fair value less any related transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost. Any difference between cost and redemption value is recognised in the Consolidated Statement of Comprehensive Income over the entire period of the borrowings on an effective interest basis. Interest-bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months from the balance sheet date.

J&F Guarantee

Subsequent to initial recognition, financial guarantee contracts are measured as financial liabilities at the higher of any loss allowance calculated and the amount initially recognised. A loss allowance is recognised for expected credit losses on a financial guarantee contract. The expected credit loss is assessed based on the probability of default and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the risk of default at the reporting date is compared to the risk of default at the date of initial recognition. Consideration is made to factors that could impact the financial guarantee such as actual or expected significant adverse changes in business, financial or economic conditions, and any material / adverse changes to the operating results of the associated parties of the financial guarantee.

The J&F Guarantee is a \$123.0 million (2024: \$123.0 million) limited guarantee provided by the Group to J&F Australia Pty Ltd (J&F), a wholly owned subsidiary of Rural Funds Management Limited, for a period of ten years from August 2018. From the provision of this guarantee, the Group earns a guarantee fee classified as finance income as noted in B3, paid on a monthly basis. The guarantee is currently used to support \$123,000,000 of J&F's debt facility which is used for cattle purchases, feed and other costs associated with finishing the cattle on the feedlots, enabling J&F to supply cattle to JBS Australia Pty Limited (JBS) for its grain fed business and the funding of grain in JBS' Rivalea business. Given J&F's primary source of income is from payments from JBS, a J&F default is only likely to occur in the event of a JBS default. In the event of a JBS default, J&F would cease buying cattle and commence selling cattle in the feedlots. As cattle are sold, J&F bank loans would be repaid. Given that lot-fed cattle can gain up to 2kgs per day, and are sold on a per kg basis, a material fall in the cattle price would be required for there to be a shortfall. The guarantee would be called to cover any shortfall between J&F borrowings and cattle sales but limited to \$123.0 million.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E1 Interest bearing liabilities (continued)

J&F Guarantee (continued)

The guarantee fee received from J&F during the year was \$5,750,000 (2024: \$5,215,000). The net return to the Group relating to the guarantee fee arrangement for the year was approximately 4.7% (2024: 4.0%). There was no event of default during the year, and as a result, the guarantee has not been called.

The financial guarantee was recognised at fair value at inception, which was nil. Subsequently, it is carried at the value of the expected credit loss. The credit loss has been calculated considering the likelihood of the financial guarantee being triggered and its financial impact on the Group. In calculating the allowance, consideration is given to counterparty risk associated with the arrangement, with JBS being the ultimate counterparty. The credit risk of JBS was determined not to have increased significantly since initial recognition, therefore the loss allowance for the guarantee has been recognised at an amount equal to 12-month expected credit losses. Consideration is also given to the value of cattle in assessing any potential shortfall should the guarantee be called by the Group. There was no change to the credit loss provision recognised during the year (2024: \$13,000).

As part of the JBS transaction, the Group purchased five feedlots from JBS Australia Pty Limited (JBS) and leased them back to JBS. The feedlots are classified as a finance lease with a repurchase call option exercisable by JBS and a sale put option exercisable by the Group as noted in C4. The call option held by JBS can be exercised from year six but will incur a break fee if exercised before year ten in 2028.

Borrowings

At 30 June 2025 the syndicated debt facility available to the Group was \$830,000,000 (2024: \$750,000,000), with a drawn balance of \$703,606,000 (2024: \$724,606,000). The facility is split into two tranches, with a \$410,000,000 tranche expiring in November 2026 and a \$420,000,000 tranche expiring in November 2027.

As at 30 June 2025 RFF had active interest rate swaps totalling 65.9% (2024: 68.5%) of the drawn balance on the floating debt facility to manage interest rate risk. Hedging requirements under the terms of the borrowing facility may vary with bank consent.

As at 30 June 2025 the TRG loan balance was \$76,660,000 (2024: \$32,857,000). A \$40,000,000 loan was provided to the Group on commencement of the initial lease with an additional \$60,000,000 provided in August 2024. Debt is repaid with interest over 7 years to March 2030.

As at 30 June 2025 a borrowing facility provided by Rabobank to the Group relating to the acquisition of Wyseby property was \$24,455,000. At balance date, the facility is due to expire in September 2025.

Loan covenants

Under the terms of the updated borrowing facility, the Group was required to comply with the following financial covenants for the year ended 30 June 2025:

- maintain a maximum Loan to Value Ratio of 60% (2024: 55%);
- maintain Net Tangible Assets (including water entitlements) in excess of \$400,000,000; and
- an Interest Cover Ratio for the Group not less than 1.50:1.00 (2024: 1.50:1.00) with distributions permitted if the Interest Cover Ratio is not less than 1.65:1.00 (2024: 1.65:1.00).

The loan to value ratio calculation includes the actual amount guaranteed under the J&F guarantee of an amount of up to \$123.0 million (2024: \$123.0 million).

Rural Funds Group has complied with the financial covenants of its borrowing facilities during the year.

The Group has received approval from the banking syndicate to reduce the Interest Cover Ratio financial covenant to 1.50:1.00 with distributions permitted if the Interest Cover Ratio is not less than 1.65:1.00 from 1 July 2023 to 30 June 2026.

Loan amounts are provided at the Bankers' floating rate, plus a margin. For bank reporting purposes, the Group's property assets are valued at market value based on the latest external valuation report. Refer to section B1 for Directors' valuation of water rights and entitlements.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E1 Interest bearing liabilities (continued)

Borrowings with Australian and New Zealand Banking Group (ANZ), Cooperatieve Rabobank UA (Rabobank) and National Australia Bank (NAB) are secured by:

- a fixed and floating charge over the assets held by Certane CT Pty Limited (Certane) as custodians for Rural Funds Trust, RFM Australian Wine Fund (a subsidiary of Rural Funds Trust) and RF Active; and
- registered mortgages over all property owned by the Rural Funds Trust and its subsidiaries provided by Certane as custodians for Rural Funds Trust and its subsidiaries.

The following assets are pledged as security over the loans:

2025	Investment property	Water licences	Plant and equipment - Bearer Plants	Financial assets	Property - owner occupied	Assets held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mortgage: Properties	1,058,791	114,751	247,330	78,718	164,808	13,806	1,678,204
Other assets	-	84,252	-	30,110	-	-	114,362
Total	1,058,791	199,003	247,330	108,828	164,808	13,806	1,792,566

2024	Investment property	Water licences	Plant and equipment - Bearer Plants	Financial assets	Property - owner occupied	Assets held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mortgage: Properties	1,003,241	121,727	248,842	77,145	169,796	42,632	1,663,383
Other assets	-	79,997	-	21,375	-	-	101,372
Total	1,003,241	201,724	248,842	98,520	169,796	42,632	1,764,755

E2 Financial assets – other (non-property related)

	2025 \$'000	2024 \$'000
Current		
Convertible note - Inform Ag Pty Limited	1,000	-
Total	1,000	-
Non - current		
Investment - Marquis Macadamias Limited	5,478	5,315
Investment - Almondco Australia Limited	4,088	3,755
Total	9,566	9,070

The Group's investments in Marquis Macadamias Limited and Almondco Australia Limited are held at fair value through profit and loss. Fair value has been assessed based on the latest financial information and management's assessment of net realisable value.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E3 Derivative financial instruments measured at fair value

	2025 \$'000	2024 \$'000
Assets		
Current		
Interest rate swaps	320	619
Total other assets	320	619
Non-current		
Interest rate swaps	20,131	38,124
Total other assets	20,131	38,124
Liabilities		
Non-current		
Interest rate swaps	1,982	-
Total other liabilities	1,982	-

The Group's derivative financial instruments are held at fair value (level 2 - see section E4).

E4 Fair value measurement of assets and liabilities

This note explains the judgements and estimates made in determining fair values of Investment property, Plant and equipment – bearer plants and financial assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified each item into the three levels prescribed under Australian Accounting Standards as mentioned above.

- Level 1 Fair value based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date (such as publicly traded equities).
- Level 2 Fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 One or more significant inputs to the determination of fair value is based on unobservable inputs for the asset or liability.

RFF's financial assets and liabilities relating to interest rate swap derivatives are level 2.

At 30 June 2025, cattle biological assets are level 2, and all other non-financial assets are level 3.

RFF's unlisted equity investments, BIL, CICL, Marquis Macadamias Ltd and Almondco are level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the reporting period. There were no transfers in the current year (2024: nil).

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments via level 2 inputs include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves

Specific valuation techniques used to value financial assets, investment property and bearer plants via level 3 are discussed in section C1.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E5 Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

a. *Financial assets*

Financial assets are divided into the following categories which are described in detail below:

- financial assets at amortised cost; and
- financial assets at fair value through profit or loss.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

b. *Financial assets at amortised cost*

Financial assets held with the objective of collecting contractual cash flows are recognised at amortised cost. After initial recognition these are measured using the effective interest method, less provision for expected credit loss. Any change in their value is recognised in profit or loss.

Discounting is omitted where the effect of discounting is considered immaterial.

For trade receivables, finance lease receivables and loans receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

c. *Financial assets at fair value through profit or loss*

The group classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at either amortised cost
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income

The Group's derivatives, investments in Marquis Macadamias Ltd and Almondco are held at fair value through profit or loss.

Assets included within this category are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

d. *Financial liabilities*

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are reported in profit or loss and are included in the Consolidated Statement of Comprehensive Income line item titled "finance costs".

Financial liabilities that are measured at fair value through profit or loss include the Group's derivatives. All other financial liabilities are measured at amortised cost.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E6 Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Group does not speculate in financial assets.

The most significant financial risks which the Group is exposed to are described below:

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

The principal categories of financial instrument used by the Group are:

- Loans and receivables
- Finance lease receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Floating rate bank loans
- Interest rate swaps

a. Financial risk management policies

Risks arising from holding financial instruments are inherent in the Group's activities and are managed through a process of ongoing identification, measurement and monitoring. The Responsible Entity is responsible for identifying and controlling risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Group from changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

Concentrations of risk arise where a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

b. Interest rate risk and swaps held for hedging

Interest rate risk is managed by using a floating rate debt and through the use of interest rate swap contracts. The Group does not speculate in the trading of derivative instruments.

Interest rate swap transactions are entered into by the Group to exchange variable to fixed interest payment obligations to protect long-term borrowings from the risk of increasing interest rates. The economic entity has variable interest rate debt and enters into swap contracts to receive interest at variable rates and pay interest at fixed rates.

The notional principal amounts of the swap contracts approximate 65.9% (2024: 68.5%) of the Group's floating rate debt at 30 June 2025.

At balance date, the details of the effective interest rate swap contracts are:

	Effective average interest rate payable		Balance	
	2025	2024	2025	2024
	%	%	\$'000	\$'000
Maturity of notional amounts				
Settlement - between 0 to 3 years	3.37	2.91	338,000	351,000
Settlement - 3 to 5 years	3.11	3.08	77,000	52,000
Settlement - greater than 5 years	2.39	2.50	65,000	110,000
Total			480,000	513,000

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E6 Financial risk management (continued)

b. Interest rate risk and swaps held for hedging (continued)

The following interest rate swap contracts that have been entered into but are not yet effective as at 30 June 2025 are:

	Effective average interest rate payable		Balance	
	2025	2024	2025	2024
	%	%	\$'000	\$'000
Maturity of notional amounts				
Settlement - 3 to 5 years	3.26	-	90,000	-
Settlement - greater than 5 years	2.17	2.17	165,000	165,000
Total			255,000	165,000

The net loss recognised on the swap derivative instruments for the year ended 30 June 2025 was \$20,274,000 (2024: \$3,297,000 loss).

At 30 June 2025 the Group had the following mix of financial assets and liabilities exposed to variable interest rates:

	2025	2024
	\$'000	\$'000
Cash	7,914	7,243
Interest bearing liabilities (current)	(24,454)	(24,454)
Interest bearing liabilities (non-current)	(703,606)	(724,606)
Total	(720,146)	(741,817)

At 30 June 2025, 10.21% (2024: 4.89%) of the Group's debt is fixed, excluding the impact of interest rate swaps.

c. Interest rate risk (sensitivity analysis)

At 30 June 2025, the effect on profit before tax and net assets attributable to unitholders as a result of changes in the interest rate, including the effect of interest rate swaps, finance income and revaluation of derivatives, with all other variables remaining constant, would be as follows:

	2025	2024
	\$'000	\$'000
Change in profit before income tax:		
Increase in interest rate by 1%	16,145	17,570
Decrease in interest rate by 1%	(16,196)	(18,973)
Change in equity:		
Increase in interest rate by 1%	16,145	17,570
Decrease in interest rate by 1%	(16,196)	(18,973)

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E6 Financial risk management (continued)

d. Credit risk

The maximum exposure to credit risk (excluding the value of any collateral or other security) at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets. This has been disclosed in the Consolidated Statement of Financial Position and notes to the financial statements.

Credit risk and associated impacts are also managed through security, in the form of guarantees, security deposits and property security in favour of the group. Counterparty credit risk for finance leases and term loans have also been assessed and accounted for through the recognition of credit loss provisions.

All the entity's debt investments at amortised cost are considered to have low credit risk and the loss allowance recognised during the year was therefore limited to 12 months' expected losses. Management considers the credit risk to be low where the counterparty does not have material outstanding repayments and has capacity to meet its contractual debt obligations. Debt investments are secured against collateral which is monitored by management. In recognising any potential credit loss provisions, management also assesses the collateral held. Where the fair value of such collateral is greater than the debt investment, a lower loss allowance amount is recognised.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

E6 Financial risk management (continued)

e. Liquidity risk and capital management

The Responsible Entity of the Group defines capital as net assets attributable to unitholders. The Group's objectives when managing capital are to safeguard the going concern of the Group and to maintain an optimal capital structure. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate headroom on borrowing facilities are maintained. The Group is able to maintain or adjust its capital by divesting assets to reduce debt or adjusting the amount of distributions paid to unitholders.

The table below reflects all contractually fixed repayments and interest resulting from recognised financial liabilities as at 30 June 2025. The amounts disclosed in the table are the contractual undiscounted cash flows which have been estimated using interest rates applicable at the reporting date. For interest rate swaps, the undiscounted cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

	Less than 6 months		6 months to 1 year		1 to 3 years		3 to 5 years		Over 5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities												
Interest bearing liabilities	52,914	25,289	27,835	49,181	776,907	779,465	29,935	12,714	-	4,415	887,591	871,064
Trade and other payables	10,194	6,783	-	-	-	-	-	-	-	-	10,194	6,783
Equipment loans	825	656	695	612	2,502	2,111	2,911	1,409	-	-	6,933	4,788
Interest rate swaps	-	-	-	-	-	-	59	-	1,923	-	1,982	-
Total	63,933	32,728	28,530	49,793	779,409	781,576	32,905	14,123	1,923	4,415	906,700	882,635

Rural Funds Group

Directors' Declaration

30 June 2025

E7 Issued units

	2025		2024	
	No.	\$'000	No.	\$'000
Units on issue at the beginning of the period	388,243,046	431,496	384,856,558	465,912
Units issued during the year	1,479,953	2,940	3,386,488	6,421
Distributions to unitholders	-	(18,412)	-	(40,837)
Units on issue	389,722,999	416,024	388,243,046	431,496

The holders of ordinary units are entitled to participate in distributions and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary units has one vote in person or by proxy, and upon a poll each unit is entitled to one vote. Voting is determined based on the closing market value of each unit.

The Group does not have authorised capital or par value in respect of its units.

Distributions totalling \$45,692,000 were declared during the year. Distributions are allocated to the components of equity which is comprised of issued units and retained earnings.

E8 Distributions payable

	2025	2024
	\$'000	\$'000
Distributions payable	12,071	11,948
Total	12,071	11,948

Rural Funds Group

Notes to the Financial Statements

30 June 2025

F. OTHER INFORMATION

F1 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank	7,914	7,243
Total	7,914	7,243

Reconciliation of cash

Cash and cash equivalents reported in the Consolidated Statement of Cash Flows are reconciled to the equivalent items in the Consolidated Statement of Financial Position as follows:

	2025	2024
	\$'000	\$'000
Cash and cash equivalents	7,914	7,243

F2 Trade and other receivables

	2025	2024
	\$'000	\$'000
Current		
Trade receivables	11,957	14,763
Sundry receivables	5,158	2,340
Receivables from related parties	1,938	3,435
Total	19,053	20,538

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue with no significant overdue amounts.

F3 Other assets

	2025	2024
	\$'000	\$'000
Current		
Prepayments	1,730	2,186
Other	38	-
Total	1,768	2,186
Non-current		
Deposits	3,955	2,996
Other	16	39
Total	3,971	3,035

Rural Funds Group

Notes to the Financial Statements

30 June 2025

F4 Investments accounted for using the equity method

	Cotton JV		Inform Ag		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summarised financial information						
Summarised balance sheet						
Total current assets	9,812	-	5,077	-	14,889	-
Total non-current assets	7,746	-	2,262	-	10,008	-
Total current liabilities	(2,493)	-	(1,560)	-	(4,053)	-
Total non-current liabilities	(10,166)	-	(1,021)	-	(11,187)	-
Net assets	4,899	-	4,758	-	9,657	-
Reconciliation to carrying amounts						
Net assets at date of gaining significant influence	4,835	-	4,433	-	9,268	-
Profit / (loss) for the period	64	-	(675)	-	(611)	-
Convertible note	-	-	1,000	-	1,000	-
Closing net assets	4,899	-	4,758	-	9,657	-
Group's share in %	50%	-	47%	-	-	-
Group's share in \$'000	2,450	-	1,733	-	4,183	-
Goodwill	-	-	4,744	-	4,744	-
Carrying value of investment	2,450	-	6,477	-	8,927	-
Summarised statement of comprehensive income						
Revenue	5,816	-	5,062	-	10,878	-
Net profit / (loss) after income tax	64	-	(675)	-	(611)	-
Total comprehensive income for the period	64	-	(675)	-	(611)	-

During the year, the Group paid \$2,440,000 to acquire a 50% joint venture shareholding in Cotton JV Pty Limited (Cotton JV) from Queensland Cotton Corporation Pty Limited. The carrying amount of the investment at 30 June 2025 in Cotton JV was \$2,450,000.

The Group also made a \$7,803,000 investment in Inform Ag Pty Limited (Inform Ag) which includes an upfront purchase of shares totalling \$5,000,000 (35% of shares at acquisition), a convertible debt facility totalling \$2,000,000 and options exercised totalling \$803,000 (8% of shares at acquisition). Following the conversion of \$1,000,000 of debt to equity in June 2025, the ownership interest in Inform Ag was 46.7%. This is expected to increase to approximately 50% following the conversion of the remaining tranche of the \$1,000,000 debt facility (refer to E2 – Financial assets – other (non-property related)). The investment in Inform Ag is treated as an associate. The carrying amount of the investment in Inform Ag at 30 June 2025 was \$6,477,000.

Joint ventures

Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated statement of financial position.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

F5 Biological assets

	Sugar \$'000	Macadamias \$'000	Cropping \$'000	Cattle \$'000	Total \$'000
2025					
Opening net book amount	1,808	2,149	2,489	6,461	12,907
Additions	2,713	4,781	4,012	1,225	12,731
Increases / (decreases) due to biological transformation	2,136	(566)	2,270	4,441	8,281
Decreases due to sales	(3,919)	(5,943)	(7,529)	(4,554)	(21,945)
Closing net book amount	2,738	421	1,242	7,573	11,974

	Sugar \$'000	Macadamias \$'000	Cropping \$'000	Cattle \$'000	Total \$'000
2024					
Opening net book amount	2,366	403	2,324	9,202	14,295
Additions	2,473	4,085	4,649	1,293	12,500
Increases due to biological transformation	903	2,691	1,819	1,664	7,077
Decreases due to sales	(3,934)	(5,030)	(6,303)	(5,698)	(20,965)
Closing net book amount	1,808	2,149	2,489	6,461	12,907

Biological assets relate to the Group's farming operations. In accordance with AASB 141 *Agriculture*. The Group's cropping biological assets have been recognised at fair value as determined based on the present value of expected net cash flows from the crops.

Cattle biological assets relates to livestock recognised at fair value as determined based on sales for similar cattle in active markets.

Fair value has been based on expected net cash flows from the crops discounted from the time of harvest. The main level 3 inputs used by the Group includes estimates based on production costs (including input and harvest costs) and the estimated time of harvest adjusted for the risks of the cash flows.

Significant estimates used in determining the expected net cash flows:

Sugar from cane planted (tonnes per ha)	The higher the sugar from cane planted, the higher the fair value
Yield	The higher the yield, the higher the fair value
Price (\$ per tonne)	The higher the net price, the higher the fair value

Changes in the fair value of biological assets are recognised in the Consolidated Statement of Comprehensive Income in the year they arise.

Judgements and estimates are made in determining the fair values of the biological assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its biological assets into three levels prescribed under the accounting standards.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

F5 Biological assets (continued)

	Level 1	Level 2	Level 3	Total
2025	\$'000	\$'000	\$'000	\$'000
Sugar	-	-	2,738	2,738
Macadamias	-	-	421	421
Cropping	-	-	1,242	1,242
Cattle	-	7,573	-	7,573
Total biological assets	-	7,573	4,401	11,974

	Level 1	Level 2	Level 3	Total
2024	\$'000	\$'000	\$'000	\$'000
Sugar	-	-	1,808	1,808
Macadamias	-	-	2,149	2,149
Cropping	-	-	2,489	2,489
Cattle	-	6,461	-	6,461
Total biological assets	-	6,461	6,446	12,907

Farming operations	Fair value at		Unobservable inputs	Range of inputs	
	2025 \$'000	2024 \$'000		2025	2024
Sugar	2,738	1,808	Sugar from cane planted (tonnes per ha)	2.6 - 5.5 tonnes per ha	2.3 - 7.0 tonnes per ha
			Net price (\$ per tonne) (+/- 10%)	\$567 - \$693 per tonne	\$592 - \$723 per tonne
Macadamias	421	2,149	Macadamia yield (tonnes) (+/- 10%)	196.5 - 236.5 tonnes	861.8 - 1,053.3 tonnes
			Farmgate NIS price (\$ per tonne) (+/-10%)	\$3,800 - \$4,640 per tonne	\$2,880 - \$3,520 per tonne
Cropping (other crops)	1,242	2,489	Cost approximates fair value less costs to sell	-	-
Total	4,401	6,446			

Rural Funds Group

Notes to the Financial Statements

30 June 2025

F6 Inventories

	2025	2024
	\$'000	\$'000
Current		
Agricultural produce - farming operations	1,039	1,279
Other	743	943
Total	1,782	2,222

F7 Trade and other payables

	2025	2024
	\$'000	\$'000
Trade payables	8,862	4,320
Accruals	1,170	2,270
Sundry creditors	162	193
Total	10,194	6,783

F8 Unearned income

	2025	2024
	\$'000	\$'000
Current		
Unearned lease income	1,916	507
Total	1,916	507
Non-current		
Unearned lease income	13,689	10,581
Total	13,689	10,581

Unearned lease income in relation to prepaid rent is subsequently recognised on a straight-lined basis over the term of the lease upon lease commencement.

F9 Other non-current liabilities

	2025	2024
	\$'000	\$'000
Lessee deposits	3,206	3,716
Total	3,206	3,716

F10 Asset revaluation reserve

	2025	2024
	\$'000	\$'000
Opening balance	106,979	70,265
Transfer from property - owner occupied to investment property	(21)	-
Property - owner occupied - revaluation	1,364	9,446
Plant and equipment - bearer plants - revaluation	(7,121)	27,352
Total comprehensive income	(5,778)	36,798
Income tax applicable	-	(84)
Closing balance	101,201	106,979

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G. ADDITIONAL INFORMATION

G1 Key management personnel

Related parties are persons or entities that are related to the Group as defined by AASB 124 *Related Party Disclosures*. These include directors and other key management personnel and their close family members and any entities they control as well as subsidiaries and associates of the Group. The following provides information about transactions with related parties during the year as well as balances owed to or from related parties as at 30 June 2025.

Directors

The Directors of RFM are considered to be key management personnel of the Group. The Directors of the Responsible Entity in office during the year and up to the date of this report are:

Guy Paynter
David Bryant
Michael Carroll
Julian Widdup
Andrea Lemmon

Interests of Directors of the Responsible Entity

Units in the Group held by Directors of RFM or related entities controlled by Directors of RFM as at 30 June 2025 are:

	Guy Paynter	David Bryant*	Michael Carroll	Julian Widdup	Andrea Lemmon
	Units	Units	Units	Units	Units
Balance at 30 June 2023	1,744,710	16,944,462	267,408	141,740	183,357
Additions	300,000	-	16,686	6,741	-
Balance at 30 June 2024	2,044,710	16,944,462	284,094	148,481	183,357
Additions	-	-	66,510	-	-
Balance at 30 June 2025	2,044,710	16,944,462	350,604	148,481	183,357

*Includes interests held by Rural Funds Management Limited as the Responsible Entity.

Other key management personnel

In addition to the Directors noted above, RFM, as Responsible Entity of the Group is considered to be key management personnel with the authority for the strategic direction and management of the Group.

The constitutions of Rural Funds Trust and RF Active (the stapled entities forming the Group) are legally binding documents between the unitholders of the Group and RFM as Responsible Entity. Under the constitutions, RFM is entitled to the following remuneration:

- Management fee: 0.6% per annum (2024: 0.6%) of adjusted total assets; and,
- Asset management fee: 0.45% per annum (2024: 0.45%) of adjusted total assets.

Compensation of key management personnel

No amount is paid by the Group directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Group to the Directors as key management personnel. Fees paid and payable to RFM as Responsible Entity are disclosed in note G2.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G2 Related party transactions

Responsible Entity (Rural Funds Management) and related entities

Transactions between the Group and the Responsible Entity and its associated entities are shown below:

	2025	2024
	\$'000	\$'000
Management fee	10,836	9,976
Asset management fee	8,127	7,482
Total management fees	18,963	17,458
Expenses reimbursed to RFM	9,936	10,590
Expenses and capital expenditure reimbursed to RFM Macadamias	20,425	16,763
Expenses reimbursed to Cattle JV	-	19
Expenses reimbursed to RFM Farming	6,791	5,449
Dividends declared to the Responsible Entity	1,543	1,543
Total amount paid to RFM and related entities	57,658	51,822
Rental income received from RFM	68	44
Rental income received from RFM Farming	1,031	1,025
Rental income received from Cattle JV	1,272	1,419
Rental income received from Cotton JV	1,761	1,696
Finance income from Cattle JV	1,698	1,777
Interest income from Cattle JV	60	-
Finance income from J&F Australia	5,750	5,215
Expenses charged to RFM Macadamias	1,042	781
Expenses charged to RFM Farming	197	544
Expenses charged to Cattle JV	-	125
Expenses charged to Cotton JV	23	27
Total amounts received from RFM and related entities	12,902	12,653

The terms and nature of the historical transactions between the Group and related parties have not changed during the year ended 30 June 2025. Transactions entered between related parties during the year have been reviewed.

Expenses reimbursed to RFM relates to expenses incurred or paid by RFM on behalf of the Group which are subsequently reimbursed by the Group. Examples of these expenses include corporate overheads, professional service fees such as legal, audit and tax matter costs, and regulatory fees and charges.

RFM Macadamias and RFM Farming perform management activities, including capital development, farming operations and farm management on behalf of the Group. Expenses include service recharge cost recoveries, costs relating to farm management and capital development costs. These costs incurred by RFM Macadamias and RFM Farming are subsequently reimbursed by the Group. Additional costs were incurred by RFM Macadamias and RFM Farming on behalf of the Group as a result of the ongoing macadamia developments and the Group's farming operations.

Rental income from RFM Farming largely relates to rental income from the Bonmac property.

Rental income from Cattle JV largely relates to rental income from Mutton Hole and Oakland Park properties.

Rental income from Cotton JV relates to rental income from Lynora Downs property.

Finance income from Cattle JV relates to breeder herds under finance.

Finance income from J&F Australia Pty Limited (J&F) relates to the \$123.0 million (2024: \$123.0 million) limited guarantee provided to J&F, a wholly owned subsidiary of Rural Funds Management Limited. From the provision of this guarantee, the Group earns a guarantee fee classified as finance income.

Expenses charged to RFM Macadamias, RFM Farming, Cattle JV and Cotton JV relate to farm management operating costs and property rates that are incurred by the Group and subsequently reimbursed to the Group.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G2 Related party transactions (continued)

Debtors and loans

	2025	2024
	\$'000	\$'000
Rural Funds Management Limited	2	-
RFM Farming Pty Limited	146	-
RFM Macadamias Pty Limited	171	2,885
Cattle JV Pty Limited	20,596	19,052
Cotton JV Pty Limited	-	62
Total	20,915	21,999

Receivables are not secured and have terms of up to 30 days. Interest is charged on overdue amounts. Finance lease receivables are secured by the Group's ownership of the relevant assets. Outstanding balances are settled through payment.

Finance lease receivable from Cattle JV relates to the breeders and agricultural plant and equipment leased to Cattle JV. \$797,000 of additional breeders were funded during the year.

Creditors

	2025	2024
	\$'000	\$'000
Rural Funds Management Limited	1,885	1,502
RFM Farming Pty Limited	590	-
RFM Macadamias Pty Limited	1,623	9
Total	4,098	1,511

Custodian fees

	2025	2024
	\$'000	\$'000
Certane CT Pty Limited	565	512
Total	565	512

Financial Guarantee

The Group provides a \$123,000,000 (2024: \$123,000,000) limited guarantee to J&F Australia Pty Ltd (J&F). The guarantee is currently used to support \$123,000,000 of J&F's debt facility which is used for cattle purchases, feed and other costs associated with finishing the cattle on the feedlots, enabling J&F to supply cattle to JBS Australia Pty Limited (JBS) for its grain fed business and the funding of grain in JBS' Rivalea business. The guarantee earns a return for RFF equivalent to an equity rate of return which is calculated on the amount of the guarantee during the period.

Entities with influence over the Group

	2025		2024	
	Units	%	Units	%
Rural Funds Management	13,157,659	3.38	13,157,659	3.39

Other

David Bryant is a director of Marquis Macadamias Limited. Marquis Macadamias Limited provides processing and selling services for the Group's macadamia operations on the Beerwah, Bauple, Swan Ridge and Moore Park properties. The Group also holds shares in Marquis Macadamias Limited. Marquis Macadamias Limited is not a related party as defined by AASB 124 *Related Party Disclosure*. Procedures are in place to manage any potential conflicts of interest.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G3 Parent entity information

The Group was formed by the stapling of the units in two trusts, Rural Funds Trust and RF Active. In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement referred to above is regarded as a business combination and the Rural Funds Trust has been identified as the parent for preparing Consolidated Financial Reports. RFM Australian Wine Fund and Agricultural Income Trust Fund 1, holding the Group's vineyard assets, are wholly owned subsidiaries of Rural Funds Trust. The financial information of the parent entity, Rural Funds Trust has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at historical cost less any accumulated impairment. Distributions received from equity investments are recognised in the parent entity's profit or loss when its right to receive the distribution is established.

The individual financial statements of the parent entity, Rural Funds Trust, show the following aggregate amounts:

	2025	2024
	\$'000	\$'000
Statement of Financial Position		
ASSETS		
Current assets	160,114	15,775
Non-current assets	1,727,964	1,862,891
Total assets	1,888,078	1,878,666
LIABILITIES		
Current liabilities	19,561	16,796
Non-current liabilities	838,999	812,800
Total liabilities	858,560	829,596
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
Issued units	409,007	424,533
Asset revaluation reserve	84,098	91,219
Retained earnings	536,413	533,318
Total equity	1,029,518	1,049,070
Statement of Comprehensive Income		
Net profit after income tax	30,375	92,222
Other comprehensive income for the year, net of tax	(7,141)	27,073
Total comprehensive income attributable to unitholders	23,234	119,295

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G4 Cash flow information

Reconciliation of net profit after income tax to cash flow from operating activities

	2025	2024
	\$'000	\$'000
Net profit after income tax	26,076	80,441
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Change in fair value of investment property	(6,003)	(58,057)
Change in fair value of bearer plants	(177)	128
Reversal of impairment of intangible assets	(2,402)	(1,400)
Impairment of property - owner occupied	788	558
Depreciation - bearer plants	12,043	11,271
Depreciation - property - owner occupied	1,012	946
Depreciation and amortisation/impairment - other	2,736	3,546
Loss/(gain) on sale of assets	211	(444)
Amortisation of lease incentives	406	268
Finance income - lease receivable	(1,573)	(2,172)
Straight-lining of rental revenue	(8,134)	(3,203)
Change in fair value of financial assets	(449)	(154)
Change in fair value of biological assets	(8,281)	(7,077)
Change in fair value of interest rate swaps	20,274	3,297
Dividend income classified as investing cash flows	(198)	(62)
Share of net loss of investments accounted for using the equity method	316	-
Changes in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	1,484	(9,987)
Decrease/(increase) in inventories	440	(369)
Decrease in biological assets	9,214	8,465
Decrease/(increase) in other current assets	418	(326)
Increase/(decrease) in trade and other payables	3,411	(95)
Increase in unearned income	4,517	4,211
Increase in net tax liabilities	111	1,287
(Decrease)/increase in other liabilities	(510)	510
Net cash inflow from operating activities	55,730	31,582

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

Reconciliation of net debt is presented below:

	2025	2024
	\$'000	\$'000
Cash and cash equivalents	7,914	7,243
Borrowings - repayable within one year	(46,791)	(35,809)
Borrowings - repayable after one year	(764,074)	(751,749)
Net debt	(802,951)	(780,315)
Cash and cash equivalents	7,914	7,243
Gross debt - fixed interest rates	(82,805)	(38,498)
Gross debt - variable interest rates	(728,060)	(749,060)
Net debt	(802,951)	(780,315)

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G5 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Group:

	2025	2024
	\$	\$
PricewaterhouseCoopers Australia:		
Audit and review of financial statements	621,379	589,553
Compliance audit	53,501	50,931
Total	674,880	640,484

G6 Other accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments with less than 3 months of original maturity which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the Consolidated Statement of Cash Flows and are presented within current liabilities on the Consolidated Statement of Financial Position.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of trade and other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows in the Consolidated Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Leases

Leases of fixed assets or biological assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred from the lessor, are classified as finance leases.

Lease payments for operating leases, where substantially all of the risks and benefits have not been transferred from the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as part of the property assets and amortised on a straight-line basis over the life of the lease term.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the Consolidated Statement of Comprehensive Income.

Provisions for distributions

Provision is made for the amount of any distribution declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Rural Funds Group

Notes to the Financial Statements

30 June 2025

G7 Limited guarantee – Wyseby

In June 2023, the Group acquired a property adjoining the Rewan Cattle Property, Wyseby, as a tenant-in-common arrangement (57.25%). A borrowing facility was provided by Cooperatieve Rabobank relating to the acquisition of the property. In addition, the Group has provided a limited guarantee to Rabobank Australia Limited in respect of the other purchasing party's debt obligations relating to their share of Wyseby. The parties will seek to subdivide the property, in their respective ownership portions, after which the guarantee will no longer be required.

G8 Events after the reporting date

In August 2025, the Group completed the sale of 2,254ML of High Security Murrumbidgee River water entitlements.

No other matter or circumstance has arisen since the end of the year that has significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

G9 Contingent liabilities

In June 2023, a civil claim was filed in the Supreme Court of Queensland against Certane CT Pty Limited as custodian of the Rural Funds Group, RFM Farming Pty Ltd (RFMF) and an employee of RFMF relating to alleged spray drift from the Baamba Plains property in Queensland. RFM was added as a defendant in October 2024. RFM is defending this claim and based on the relevant facts and an indemnity provided by RFM Farming to the Rural Funds Group, there is no material exposure expected to the Group.

Other than what has been disclosed, there are no contingent liabilities as at 30 June 2025.

Rural Funds Group

Directors' Declaration

30 June 2025

In the Directors of the Responsible Entity's opinion:

- 1 The financial statements and notes of Rural Funds Group set out on pages 14 to 71 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- 2 There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the persons performing the chief executive officer and chief financial officer functions as required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of the Directors of Rural Funds Management Limited.

A handwritten signature in black ink, appearing to read 'David Bryant', is written over a faint, light blue circular stamp.

David Bryant
Director

22 August 2025



Independent auditor's report

To the stapled security holders of Rural Funds Group

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Rural Funds Trust (RFT) and its controlled entities, which includes RF Active (RFA), (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

For the purpose of consolidation accounting, RFT is the deemed parent entity and acquirer of RFA. The financial report represents the consolidation financial results of RFT and includes RFT and its controlled entities and RFA.

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in net assets attributable to unitholders for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The structure of Rural Funds Group is commonly referred to as a "stapled group". In a stapled group the securities of two or more entities are 'stapled' together and cannot be traded separately. In the case of the Group, the units in RFT have been stapled to the units in RFA. For the purposes of consolidation accounting, RFT is 'deemed' the parent and the Group financial report reflects the consolidation of RFT and its controlled entities, including RFA.

Audit scope	Key audit matters
Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving	- Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: - Valuation of agricultural properties; and

<i>Audit scope</i>	<i>Key audit matters</i>
assumptions and inherently uncertain future events. The audit of the Group was performed by a team which included individuals with industry expertise, as well as property valuation experts, who assisted in our assessment of the reasonableness of some of these subjective judgements.	- Related party transactions. - These are further described in the <i>Key audit matters</i> section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<i>Valuation of agricultural properties, which comprise: Investment property, Bearer plants, Intangibles (water entitlements) and Property – owner occupied (Refer to notes C2, C3, C5 and C6)</i> The Group holds agricultural properties for long-term leasing or for further development. Each agricultural property held for leasing or development comprises one or more of the following three components: - investment property (including land and infrastructure attached to land) - bearer plants (including almond trees, macadamia trees and wine grape vines) - water entitlements. Agriculture properties on which cropping operations are currently conducted by the Group are classified as property owner occupied.	For a selection of external valuations obtained by the Group, together with PwC real estate property valuation experts we performed the following procedures, amongst others: - assessed the competency, qualifications, experience and objectivity of the external valuers - read the external valuers' terms of engagement to identify any terms that might affect their objectivity or impose limitations on their work relevant to the valuation - interviewed external valuers in relation to properties subject to valuation and on the rationale behind the chosen allocation techniques and key assumptions - compared inputs used in the valuation and allocation models, such as rental income and lease terms, to the relevant lease agreements and/or other supporting documents

Key audit matter

External valuations provide an aggregate value for each agricultural property. Key variables and considerations in the valuations can include discount rates, terminal capitalisation rate, market rent, cattle carrying capacity. Factors such as associated lease agreements, comparable sales, prevailing market conditions, and the individual nature, condition and location of these properties impact these variables, and overall valuations.

The aggregate value of each agricultural property is allocated across the components of investment property (carried at fair value), bearer plants (carried under revaluation model), water entitlements (carried at cost less accumulated impairment), and property – owner occupied (carried under revaluation model).

The directors, or external valuers where appropriate, determined the suitable allocation technique to be applied to each agricultural property, considering the nature and characteristics of the property including any lease encumbrances.

This was a key audit matter because:

- agricultural properties are fundamental to the Group's business model. Investment properties, bearer plants and water entitlements, and property – owner occupied form the majority of the Group's assets in the consolidated statement of financial position
- by nature the agricultural property valuations are inherently subjective due to the use of assumptions and estimates in the valuation model
- the selection and application of allocation techniques are inherently subjective due to the unique characteristics of each property
- the valuations and allocation outcomes are sensitive to key inputs/assumptions in the model such as the discount rate and terminal capitalisation rates, the utilisation of comparable sales data and to allocation techniques.

How our audit addressed the key audit matter

- assessed the appropriateness of certain inputs including, where applicable, comparable sales, market rents, discount rate, terminal capitalisation rate, \$ per irrigated or planted hectare, average \$ per plantable hectare, \$ per adult equivalent (AE) carrying capacity used in the valuation and allocation models, for a sample of properties based on benchmark market data.
- inspected the final valuation reports and compared the fair value as per the valuation to the value recorded in the Group's accounting records.

For properties not subject to external valuations in the current year, we evaluated the directors' internal assessment of the fair value of the properties. This included assessing the valuation methodologies and key assumptions; or the assertion that the properties are carried at fair value as per the latest external valuation report, adding any capital expenditure made during the intervening period.

We assessed the reasonableness of the disclosures in Notes C1, C2, C3, C5 and C6 of investment property, bearer plants, water entitlements and property-owner occupied considering the requirements of Australian Accounting Standards.

Key audit matter

How our audit addressed the key audit matter

Related party transactions (refer to note G2)

The Group's Responsible Entity, along with other funds for which it is the Responsible Entity, are considered related parties of the Group.

Key transactions with these parties include:

- rental income from the lease of agricultural properties
- finance income from the lease of cattle
- management fees and asset management fees paid
- distributions from investments
- reimbursement of operating expenses and capital expenditure
- provision of a limited financial guarantee and receipt of associated finance income.

Related party transactions were a key audit matter due to the significant impact of these transactions on the results of the Group.

Additionally, because of their nature, they are pervasive and material to the presentation of and disclosures within the financial report.

We performed the following procedures over related party transactions, amongst others:

Developed an understanding of the Group's relevant controls and processes for identifying related parties and related party transactions. For significant contracts entered into during the year, we verified that the transactions were approved.

For a sample of lease income recorded during the year, we compared the lease income to the relevant supporting documents including the lease agreements and bank statements.

For a sample of cropping expenses/macadamia development costs recharged, we obtained and agreed to relevant supporting documents including invoices.

For management fees and asset management fees, we compared the rates used to determine fees to the rates disclosed in the explanatory memorandum issued on formation of the Group.

We inquired with management to develop an understanding of the business rationale for the related party transactions.

In relation to the financial guarantee, we developed an understanding of the arrangement from reading the historic Explanatory memorandum, subsequent amendments and from discussions with management and others of the purpose, terms and conditions, and substance of the arrangement. For a sample of guarantee income recorded we agreed to relevant supporting documents including invoices and bank statements.

We assessed the reasonableness of the disclosures in Note G2, of related party relationships and transactions considering the requirements of Australian Accounting Standards.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report, Additional Information for Listed Public Entities, and the Corporate Directory. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Responsible Entity and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
22 August 2025

Rural Funds Group

Additional Information for Listed Public Entities

30 June 2025

Unitholder information

Additional information required by the ASX Limited listing rules and not disclosed elsewhere in this report is set out below. The information is effective as at 30 June 2025.

Distribution of equity securities

Analysis of number of unitholders by size of holding:

	Unitholders 2025
1 - 1,000	2,524,578
1,001 - 5,000	18,016,942
5,001 - 10,000	22,551,911
10,001 - 100,000	127,124,094
100,001 and over	219,505,474

RFM considers that there are 2,888 holders of a less than marketable parcel of units at 30 June 2025.

Substantial unitholders

The number of substantial unitholders and their associates are set out below:

	Units held	%
J P Morgan Nominees Australia Pty Limited	46,375,886	11.90%
HSBC Custody Nominees (Australia) Limited	32,689,025	8.39%
Argo Investments Limited	25,251,588	6.48%

Voting rights

Ordinary units

All ordinary units carry one vote per unit without restriction.

Twenty largest unitholders at 30 June 2025

	Units held	%
J P Morgan Nominees Australia Pty Limited	46,375,886	11.90%
HSBC Custody Nominees (Australia) Limited	32,689,025	8.39%
Argo Investments Limited	25,251,588	6.48%
Rural Funds Management Limited	13,157,659	3.38%
Citicorp Nominees Pty Limited	10,741,197	2.76%
Prudential Nominees Pty Limited	9,000,000	2.31%
National Nominees Limited	4,471,816	1.15%
Bryant Family Services Pty Limited	3,768,012	0.97%
BNP Paribas Nominees Pty Limited - Hub24 Custodial Service Ltd	3,550,077	0.91%
Netwealth Investments Limited - Wrap Services A/C	2,984,274	0.77%
BNP Paribas Nominees Pty Limited - IB AU Noms Retail Client	2,908,608	0.75%
HSBC Custody Nominees (Australia) Limited-A/C 2	2,847,120	0.73%
BNP Paribas Nominees Pty Limited - Agency Lending A/C	2,414,908	0.62%
BNP Paribas Noms Pty Limited	2,357,234	0.60%
CPG Investments Group Pty Limited	1,700,000	0.44%
SCCASP Holdings Pty Limited	1,663,073	0.43%
National Exchange Pty Ltd	1,500,000	0.38%
Boskenna Pty Limited	1,353,044	0.35%
Finclear Services Pty Ltd	1,185,657	0.30%
Netwealth Investments Limited - Super Services A/C	1,139,012	0.29%
Total	171,058,190	43.91%

Securities exchange

The Group is listed on the Australian Securities Exchange (ASX).

A photograph of a rural landscape featuring a field of tall, dry grass in the foreground and a dense line of trees in the background under a clear sky.

Rural Funds Management Limited

ABN 65 077 492 838
AFSL 226701

Rural Funds Group comprises:

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

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