

ASX release

Cattle and cropping property acquisition

29 November 2021

Rural Funds Management Limited (RFM) as responsible entity and manager of the Rural Funds Group (ASX: RFF) advises that contracts have exchanged for a 27,879 ha cattle and cropping property aggregation. The four properties, collectively referred to as 'Kaiuroo', are located in central Queensland, approximately 5 kms west of 'Cerberus', an existing cattle property owned by RFF.

The acquisitions are consistent with RFM's strategy of acquiring assets with potential for productivity improvements, in agricultural sectors in which RFM has operating experience and Australia has a comparative advantage.

Included in the purchase is 12,448 ML of water entitlements. RFM plans to utilise the water entitlements to improve the productivity of the properties. Productivity developments include expanding irrigated cropping areas and increasing cattle carrying capacity through pasture improvement and additional water points.

A deposit of \$17.2m (equal to 25% of the purchase price) is expected to be paid in November 2021, funded from RFF's debt facility. RFM has negotiated an extended settlement period of up to 24-months, which allows RFM to commence productivity developments and seek a lessee prior to settlement. RFF will receive interest on the deposit amount prior to settlement.

Forecast FY22 adjusted funds from operations of 11.8 cents per unit and distributions of 11.73 cents per unit remain unchanged.

Rural Funds Group (ASX: RFF)

Rural Funds Group is an agricultural Real Estate Investment Trust (REIT) listed on the ASX under the code RFF. RFF owns a diversified portfolio of Australian agricultural assets which are leased, predominantly to corporate agricultural operators. RFF targets distribution growth of 4% per annum by owning and improving farms that are leased to good counterparties. RFF is a stapled security, incorporating Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805).

Rural Funds Management Limited (RFM)

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

Authorised by:	For further information:	RFM details:
Tim Sheridan Chief Operating Officer Rural Funds Management T 0400 634 230 E TSheridan@ruralfunds.com.au	James Powell General Manager - Investor Relations & Marketing Rural Funds Management T 0420 279 374 E JPowell@ruralfunds.com.au	David Bryant Managing Director Rural Funds Management T 02 6203 9700 E DBryant@ruralfunds.com.au
		ABN 65 077 492 838 AFSL 226701 Level 2, 2 King St Deakin ACT 2600 Locked Bag 150 Kingston ACT 2604 T 02 6203 9700 E management@ruralfunds.com.au
www.ruralfunds.com.au		