

## ASX release

### Subject: \$100 million Equity Raising and webinar invitation

8 July 2021

Rural Funds Management Limited (“**RFM**”), the responsible entity and manager of Rural Funds Group (“**RFF**”), is pleased to announce a \$100 million equity raising via a fully underwritten 1 for 8.4 accelerated pro rata non-renounceable entitlement offer (“**Equity Raising**”). The purpose of the Equity Raising is to provide capital for:

- The development of 1,000 ha of macadamia orchards;
- The acquisition of cattle properties to be leased to corporate lessees; and
- The acquisition of up to 8,338 ML of water entitlements for \$38.4 million<sup>1</sup> (“**Water Entitlements**”) which are leased to a private farming company for five years.

#### Webinar details

Management will host a webinar to detail the Equity Raising at 11:00am AEST, Friday, 9 July 2021. Participants can register via the following link:

<https://attendee.gotowebinar.com/register/7944848237569538315>

#### Use of proceeds

Throughout FY20 and FY21 RFF has acquired \$104 million of land and water in Rockhampton, Bundaberg and Maryborough for the development of 5,000 ha of macadamia orchards. Planting has commenced at Maryborough, with 500 ha to be planted by November 2021. An additional 500 ha will be planted by June 2022. The Equity Raising provides funding for these developments.

The Equity Raising will also provide capital for:

- Additional acquisitions: RFM, in conjunction with several corporate lessees, are seeking to acquire additional cattle properties which are likely to have similar productivity development potential as RFF’s existing cattle properties; and
- Acquisition of the Water Entitlements in the NSW Riverina, which are leased to a private farming company for a term of five years. RFM believes demand for secure water in this region will increase over the long term, as permanent plantings such as almond orchards continue.

#### Financial impact

Including the impact of the acquisition of the Water Entitlements transaction and Equity Raising, RFF provides the following financial forecasts:

- FY22 forecast adjusted funds from operations (AFFO) of 11.6 cents per units (cpu) with accretion from additional acquisitions and finalisation of macadamia lessee;
- FY22 forecast distributions of 11.73 cpu confirmed, representing a 4% increase on FY21; and

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<sup>1</sup> The Water Entitlements are being acquired in two tranches. Contracts have been exchanged for 6,533 ML, there is a risk that the balance may not exchange.

- Decrease pro forma gearing<sup>2</sup> as at 31 December 2020 to 23.9%, compared to RFF's gearing target of 30—35% and provides pro forma balance sheet capacity of up to \$185 million.

## Equity Raising

The Equity Raising is a fully underwritten 1 for 8.4 accelerated pro rata non-renounceable entitlement offer to raise \$100 million.

The fixed offer price of \$2.47 per Unit represents a:

- 5.0% discount to RFF's last close price on 7 July 2021 of \$2.60;
- 5.6% discount to RFF's 5-day VWAP to 7 July 2021 of \$2.62;
- 4.5% discount to the theoretical ex-rights price (TERP) of \$2.59<sup>3</sup>; and
- FY22 forecast distribution yield of 4.7%.

New Units issued will rank equally with existing Units in RFF and will be fully entitled to the distribution for the quarter ending 30 September 2021.

RFM and Managing Director David Bryant collectively hold approximately 4.5% of existing Units and have committed to take up a minimum of \$1.5 million. RFM Chairman Guy Paynter and Director's Michael Carroll and Julian Widdup hold 0.6% of existing Units and have committed to take up their entitlement in full, amounting to approximately \$0.6 million.

The institutional component of the Equity Raising will be conducted today, and the retail component will open on Wednesday, 14 July 2021 and close at 5.00pm on Wednesday, 28 July 2021 ("**Retail Offer Period**").

## Additional information

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX today. A retail offer booklet will be released separately and sent to Eligible Retail Unitholders. Those Unitholders who have elected to receive notices by email will receive an email with a direct link to their personalised Entitlement and Acceptance Form and the Retail Offer Booklet. Those Unitholders who have not elected to receive notices by email will receive both documents by post.

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact RFM Investor Services on 1800 026 665 (from within Australia) or +61 2 6203 9700 (from outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday during the Retail Offer Period.

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<sup>2</sup> Gearing is calculated as external borrowings / adjusted total assets.

<sup>3</sup> TERP is calculated with reference to the last close price of \$2.60 on 7 July 2021.

## Key dates

Event	Date
Trading halt and announcement of the Entitlement Offer	Thursday, 8 July 2021
Institutional Entitlement Offer bookbuild	Thursday, 8 July 2021
Announcement of results of Institutional Entitlement and trading of Units recommences on ASX on an 'ex-entitlement' basis	Friday, 9 July 2021
Record Date for Equity Raising	7:00 PM, Monday, 12 July
Retail Entitlement Offer Booklet is dispatched and Retail Entitlement Offer opens	9:00 AM, Wednesday, 14 July 2021
Early Retail Entitlement Offer acceptances due	5:00 PM, Tuesday, 20 July 2021
Settlement of Units issued under the Institutional Entitlement Offer and Early Retail Entitlement Offer	Wednesday, 21 July 2021
Allotment and normal trading of Units issued under the Institutional Entitlement Offer and Early Retail Entitlement Offer	Thursday, 22 July 2021
Retail Entitlement Offer closes	5:00 PM, Wednesday, 28 July 2021
Settlement of new Units issued under the Retail Entitlement Offer	Tuesday, 3 August 2021
Announcement of results of Retail Entitlement Offer and allotment of remaining Units issued under the Retail Entitlement Offer	Wednesday, 4 August 2021
Dispatch of holding statement and normal trading of remaining Units issued under the Retail Entitlement Offer	Thursday, 5 August 2021

All dates and times are indicative only and subject to change. Unless otherwise specified, all dates and times refer to Australian Eastern Standard Time (AEST). Subject to the requirements of the Corporations Act, the ASX listing rules and any other applicable laws, RFF, in consultation with the Underwriters, reserves the right to amend this timetable at any time.

### 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:
<b>Tim Sheridan</b> Chief Operating Officer Rural Funds Management T 0400 634 230 E T Sheridan@ruralfunds.com.au	<b>James Powell</b> General Manager - Investor Relations & Marketing Rural Funds Management T 0420 279 374 E J Powell@ruralfunds.com.au	<b>David Bryant</b> Managing Director Rural Funds Management T 02 6203 9700 E D Bryant@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