

ASX release

Proposed increase to J&F Guarantee

20 December 2021

Rural Funds Management Limited (RFM) as responsible entity and manager of the Rural Funds Group (ASX: RFF) today released a Notice of Meetings and Explanatory Memorandum (EM). The purpose of the Meetings, which will be held on 4 February 2022, is to seek Unitholder approval to increase the Guarantee to J&F Australia Pty Ltd (J&F).

Summary information

- Following favourable market conditions an increase to the existing J&F facility and existing JBS arrangements is required. This requires a proportionate increase to the Guarantee and Unitholder approval.
- The Guarantee was initially approved by 99.8% of Unitholders who voted on 10 August 2018. A subsequent increase to the Guarantee was approved by 99.6% of Unitholders who voted on 14 April 2020.¹
- An Independent Expert Report dated 17 December 2021 is included in the EM which concludes that the Guarantee is both fair and reasonable.²
- The Guarantee generates a return between 9.73% to 11.25%³. If the proposed Guarantee increase (from \$100.0m to \$132.0m⁴) is approved, RFM will upgrade forecast FY22 adjusted funds from operations from 11.8 cents per unit (cpu) to 11.9 cpu.

The EM contains important information in relation to the Guarantee and a discussion of the benefits and risks of the Guarantee. Please read the EM carefully in its entirety before making your decision and voting (whether in person, by corporate representative or by proxy) at the Meetings.

Key dates

Event	Date
EM available via ASX	20 December 2021
Personalised Proxy Form available to Unitholders via Boardroom	20 December 2021
EM and Proxy Form posted to Unitholders ⁵	24 December 2021
Unitholder webinar	27 January 2022, 11.00am AEDT
Proxy and online voting closes	2 February 2022, 11.00am AEDT
Meetings (to be held at Level 2, 2 King St, Deakin ACT)	4 February 2022, 11.00am AEDT

¹ Percentage calculated on the total value of votes cast at the relevant Meeting (\$183.83m in August 2018 and \$244.79m in April 2020).

² To the Non-Associated Unitholders of RFF under the requirements of Listing Rule 10 and Chapter 2E of the Corporations Act.

³ As described in the Independent Expert Report dated 17 December 2021.

⁴ Current guarantee to increase from \$100.0m to \$114.0m, additional guarantee to \$132.0m to cover potential future operational requirements.

⁵ To Unitholders that have elected to receive communications by post. Unitholders that have elected to receive communications electronically, or those who have not made an election, will be emailed documents on 20 December 2021.

Unitholder webinar and voting

RFM has arranged for Unitholders to be able to efficiently cast their vote online prior to the Meetings, as detailed on their personalised Proxy Form.

RFM will hold a webinar at 11:00am (AEDT) 27 January 2022 to outline details of the proposed increase to the Guarantee. To attend the webinar please email investorservices@ruralfunds.com.au.

Voting details are contained in the EM and Proxy Form. Personalised Proxy Forms will be posted or emailed to Unitholders (depending on their communication election) and are also available via RFF's registry, Boardroom Limited (www.boardroomlimited.com.au).

Further information

To ensure compliance with any ACT COVID-19 restrictions, if Unitholders intend to attend the Meetings in person, or have any queries about the Meetings, they may contact RFM Investor Services on 1800 026 665 (from within Australia) or +61 2 6203 9700 (from outside Australia) from 8.30am to 5.00pm (local Canberra time), Monday to Friday, or email investorservices@ruralfunds.com.au prior to the Meetings.

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