



Allied Farmers Ltd

201 Broadway, Stratford, 4332

PO Box 304, Stratford 4352

Phone: 06 765 6199

Web: <http://www.alliedfarmers.co.nz>

Email: headoffice@alliedfarmers.co.nz

23 November 2020

announce@nzx.com

RENOUNCEABLE RIGHTS ISSUE CAPITAL RAISE AND MARKET UPDATE

Rights Issue Capital Raise

On 9 November 2020 Allied Farmers Limited's (NZX:ALF) (**Allied**) advised in its 2020 Notice of Annual Meeting that it will offer eligible shareholders the opportunity to participate in a pro rata renounceable rights issue at an issue price of \$0.50 cents per share through a rights issue of 1 new ordinary share for every 3 existing ordinary shares held.

Allied is pleased to now confirm that it will open the pro rata renounceable rights issue in early December 2020.

Shareholders will be able to apply for additional shares at the same price of \$0.50 cents per share through an oversubscription facility to take up unexercised rights, and any rights that shareholders do not wish to take up will be quoted and able to be bought and sold on the NZX.

Also as previously announced, if approved at the 2020 Annual Meeting, and most likely after the renounceable rights issue, Allied proposes to commence placements over the next 12 months of up to 10 million Allied Farmers shares to existing shareholders and new investors at the same price of \$0.50 cents per share. These placements will potentially raise up to \$5,000,000 of new capital for Allied Farmers.

The timetable for the renounceable rights issue offer is as follows:

<i>Announcement of the Offer</i>	23 November 2020
<i>Rights trading commences on the NZX Market</i>	30 November 2020
<i>Record Date for determining eligibility</i>	7:00 p.m. on 1 December 2020
<i>Opening Date and mailing/emailing of Offer documentation ("Ex-Date")</i>	2 December 2020

Rights trading ends on the NZX market 11 December 2020

Closing Date (last day for online applications, or for receipt of the Acceptance Form, with payment), unless extended 17 December 2020

Allotment and issue of New Shares 24 December 2020

Anticipated date of quotation of New Shares 24 December 2020

Statements mailed 31 December 2020

Market Update

In the first 6 months of this financial year prices for Allied's processed veal and related products, appreciable proportions of which are ultimately sold through food service channels and other Covid affected markets internationally, have been significantly lower. The veal processing business contribution has always been sensitive to market price movements outside of our control, and accordingly, because it makes up a significant part of revenues in the first 6 months of the financial year, in turn the interim result has always being disproportionately impacted by the performance of this business.

The ongoing effects of the drought earlier this calendar year and lower market prices for livestock have also adversely affected commission revenue in our livestock agency business. However, recently we are seeing more encouraging signs with favourable weather and growth conditions contributing to an improvement in farmer sentiment, sale tallies and prices. This gives us cautious confidence in a stronger second half of year, which is when the majority of livestock contribution is normally generated.

As a result of these trading conditions, particularly in veal processing, Allied expects that the 6 months result to 31st December 2020 will be significantly below the corresponding prior period, with an after tax profit in a range of \$200,000 - \$400,000 (assuming a successful NZ Rural Land Company Initial Public Offering).

Richard Perry Chairperson

Mr. Perry can be contacted for investor and media enquiries on 06 765 6199.

Attachments:

Corporate Action Notice
Cleansing Notice