

Alterra Secures Exclusive Rights to Avocado Genetics & Data

Summary

- Alterra enters into an exclusive Genetics License Agreement and Data Access Agreement for avocados
- Secures proven genetics conducive to high performance model in South-West Western Australia
- Locks in ongoing supply of budwood for scaling nursery production capacity
- Provides access to historical and future production data from orchards ranging from 1 to 33 years in age
- Quantitative data integral to developing invest-grade assets for institutional ownership

Alterra Ltd (**Alterra** or **Company**) is pleased to announce that it has entered into an exclusive "Genetics License Agreement" and "Data Access Agreement" with French's Group 89 Pty Ltd (**French's**). The French family have farmed in Pemberton since 1923 and in 1986 established the first commercial-scale avocado crop in the region. Since that time the French's have grown to become a leader in high-performance avocado production systems with downstream interests in packing, marketing and exporting.

The Genetics License Agreement and Data Access Agreement (**Agreements**) build on Alterra's existing relationship with French's and their provision of local partner services to Alterra (see ASX Announcement 381) as the Company advances near-term opportunities within the avocado sector.

The Genetics License Agreement provides Alterra with exclusive access to the French's avocado genetics which, through continuous selection over the last 33 years, have accumulated in a genetic bank that is well adapted to the production environment of the South-West of WA with characteristics cohesive to production intensification.

Aside from improvements in yield, tree architecture and disease resistance, this proven line of genetics enables Alterra to deploy with certainty targeted management practices that optimise land, water and nutrient use efficiencies.

The Data Access Agreement provides Alterra with exclusive access to historical and future (next 15 years) production data from French's portfolio of orchards. Alterra will further collaborate with the French's to analyse this data and model future production and cost estimates.

In addition, Alterra will work with the French's to build out methodologies for establishing baselines and measuring the build-up of natural capital, including but not limited to, carbon sequestration and soil health which forms part of Alterra's mission to build assets that generate a positive social, environmental and economic impact.

Strategic Importance to Alterra's Business Model

Alterra's asset development and asset management business model seeks to partner with landowners to enable the development of underutilised agricultural land and water via a development agreement. Alterra, together with co-investors, provide the development capital required to transform these assets into an investment-grade agricultural asset suitable for institutional ownership. It is intended that each development will provide Alterra with a mix of income and capital growth.

Post development (intended to be within 5 years) the development consortium (Alterra, landowner and co-investors) will seek to realise the investment and sell the asset to institutional investors focussed on direct investment into permanent crops that provide a stable long-term income stream backed by land and water ownership. Post an asset sale, Alterra's strategy is to continue management of the asset under a fee-bearing management services agreement.



By benchmarking assets with a like for like (region, climate, genetics, design and management) portfolio of assets, Alterra believes it is able to provide potential buyers with greater certainty over the asset's long-term performance and income.

Alterra believes a disciplined and transparent approach to field data is an integral part of developing invest-grade agricultural assets and attracting long-term patient capital to the sector.

Managing Director Comment

Managing Director Oliver Barnes said, "Alterra is responding to global calls to transform the agricultural sector and develop the next generation of commercial assets that support a more inclusive, sustainable, efficient and nutritious food system, that aspires to align with the UN Sustainable Development Goals.

Alterra's approach is to partner with top tier producers, access unrealised intellectual property and through a proprietary development framework, work with landowners to transition underdeveloped land and water assets.

The Agreements are an example of Alterra's commitment to providing capital markets access to the next generation of best in class assets."

Key Terms of the Genetics License Agreement

- Alterra is granted the exclusive right to:
 - access French's orchards for the purpose of collecting budwood for a period of 10 years; and
 - use the genetic material collected under the Agreement in perpetuity.
- Alterra will collect all budwood at its own costs and pay French's a fee in line with the market.

Key Terms of the Data Access Agreement

- For a term of 15 years, Alterra will be granted the exclusive right to access French's historical and future production records, data and orchards to develop a database.
- The database will be owned by Alterra and French's will have access to information to assist management of their owned operations.
- French's to be issued 1,000,000 ordinary shares in Alterra for nil consideration, which will be issued under the Company's existing placement capacity.

Alterra continues to advance several near-term development opportunities and will advise of any developments in due course.

Oliver Barnes
Managing Director



About Alterra

Alterra is a developer & manager of investment-grade agricultural assets focused on unlocking transformational investments that drive sustainable growth and leave a positive social, environmental and economic legacy. The Company is focused on 'land use change' opportunities in Australia for the development of land and economic water resources into high value tree crops that meet the investment criteria of institutional investors.

For further enquiries, please contact:

INVESTOR & MEDIA ENQUIRES

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