

CAPITAL RAISING SUPPORTED BY LEADING AGRIBUSINESS INVESTORS

Highlights:

- Firm commitments received to raise \$1.85M via a Placement to sophisticated and professional investors, cornerstoned by Pendulum Capital, led by Peter Fogarty and Greg Harvey
 - Up to a further \$1.85M to be raised through a partially underwritten Entitlement Offer at \$0.04 per share
 - Accelerates development of 52ha next stage of flagship Carpenters avocado project
 - Creates platform for Alterra to pursue additional horticulture and agriculture opportunities
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Alterra Ltd (ASX:1AG) (**Alterra** or **Company**) is pleased to announce a capital raising of up to \$3.7 million under which a company associated with Pendulum Capital Pty Limited (**Pendulum**), led by successful agribusiness investors and operators Peter Fogarty and Greg Harvey, will acquire up to a 19.9% stake in the Company.

Pendulum is a leading investment, management and corporate advisory firm.

The capital raising comprises a placement (**Placement**) at \$0.04 per share to raise \$1.85 million and a 1-for-5 pro-rata non-renounceable entitlement offer (**Entitlement Offer**) (together with the Placement, the **Capital Raising**) at the same price as subscribers to the Placement – \$0.04 per share, to raise up to \$1.85 million (before costs). The issue price represents a 7% discount to Alterra's 30-day volume average weighted share price.

Eligible Alterra shareholders will have the opportunity to participate in the Entitlement Offer, including those that participated in the Placement. The Entitlement Offer will be open to all shareholders with a registered address in Australia and New Zealand at 5.00pm (WST) 18 May 2021 (**Record Date**).

The Capital Raising will fund the next stage of Alterra's Carpenters avocado project in Western Australia's South West. It also provides the Company with a platform to pursue other opportunities across the horticulture and agriculture sectors.

As a strategic shareholder, the Pendulum team brings decades of track record and success in agriculture investment and advisory roles in some of Australia's biggest agriculture transactions. Alterra looks forward to tapping into this experience and expertise.

Outside of his agribusiness investments and advisory roles, Mr Fogarty is the founder of the Fogarty Wine Group, Margaret River's largest wine producer with wine assets across WA, New South Wales, Victoria and Tasmania.

Mr Harvey was most recently Managing Director and CEO of the Forrest family's Harvest Road Group food business and was previously the long-standing CEO of Interflour Group, one of Asia's largest grain processors and agri-port operators, and part of the Salim Group.

Alterra Chairman John McGlue said the Company was delighted to welcome Pendulum to the register. "*Pendulum has a great track record in the agribusiness and horticulture sectors, and Alterra looks forward to their contribution as investors for the benefit of all of our shareholders.*"

Mr Fogarty said: "*Pendulum has invested in Alterra because of its flagship Carpenters avocado project and its potential to take advantage of the abundance of opportunities in horticulture and agriculture. We look forward to working with Alterra to realise on its growth potential.*"



Placement

Alterra has received firm commitments from Pendulum, Alterra's major shareholder Sandon Capital and other professional and sophisticated investors to subscribe for 46,305,303 fully paid new ordinary shares in the Company at an issue price of \$0.04 per share to raise \$1.85 million (before costs).

The Company intends to issue 27,783,301 new fully paid ordinary shares under the Company's existing ASX Listing Rule 7.1 capacity and 18,522,002 new fully paid ordinary shares under the Company's 7.1A capacity.

Entitlement Offer

To give eligible shareholders the opportunity to participate in the Capital Raising, the Placement will be followed by a pro-rata non-renounceable entitlement offer to enable eligible shareholders to subscribe for 1 new fully paid ordinary share in the capital of the Company for every 5 ordinary shares held on the Record Date at A\$0.04 per share, being the same issue price as shares offered to investors under the Placement. The Entitlement Offer seeks to raise up to approximately \$1.85 million (before costs).

Any shortfall to the Entitlement Offer will be partially underwritten by Penagri Holdings Pty Ltd, a company associated with Pendulum, up to a 19.9% interest in the Company.

The Entitlement Offer will be made to persons registered as shareholders of Alterra on the Record Date who have a registered address in Australia or New Zealand. New shares issued under the Placement and Entitlement Offer will rank equally with all ordinary shares already on issue. Under the Entitlement Offer, Alterra will issue a maximum of approximately 46,305,462 new fully paid ordinary shares. Eligible shareholders who take up all of their rights under the Entitlement Offer will also be afforded the opportunity to apply for additional new shares in excess of their entitlement to the extent there is any shortfall under the Entitlement Offer following the underwriting.

Further details relating to the Entitlement Offer will be contained in an Offer Document to be released to the market shortly.

Use of funds

Funds raised from the Capital Raising will be used primarily to accelerate development of a further 52ha of avocados at the Company's flagship Carpenters Project in the Pemberton region of Western Australia and for general working capital.

The latest presentation on the Carpenter's Project can be viewed at <https://alterra.com.au/wp-content/uploads/2021/03/Alterra-Carpenters-Presentation-March-2021.pdf> and the latest video can be viewed at <https://alterra.com.au/projects/carpenters-project/>.

Indicative timetable

Action	Date
Announcement of Placement & Entitlement Offer	13 May 2021
Settlement of Placement shares	13 May 2021
Issue of Placement Shares	14 May 2021
"Ex" Date	17 May 2021
Entitlement Offer Record Date	5.00pm (WST) 18 May 2021
Entitlement Offer Opening Date	21 May 2021
Offer Document and Entitlement and Acceptance Form dispatched	21 May 2021
Entitlement Offer Closing Date/Shortfall Closing Date	5.00pm (WST) 25 June 2021
Announce results of Entitlement Offer	29 June 2021
Entitlement Offer Settlement Date	29 June 2021
Entitlement Offer/Shortfall Shares Issued	30 June 2021
Entitlement Offer Shares quoted on ASX	1 July 2021

These dates are indicative only and may be subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company reserves the right to vary the timetable without prior notice by extending the Closing Date or closing the Entitlement Offer early.



This announcement has been authorised by the Board of Directors of Alterra.

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Further information:

John McGlue, Chairman

P: (+61) 08 9204 8400

E: jmcglue@alterra.com.au



About Alterra Limited

Alterra is an originator, developer and manager of land and water assets in Australia. Our strategy is to work directly with landowners and agricultural producers to unlock and reposition water assets through change in land use, ownership structure, regulatory management and application of technical know-how to create large-scale horticultural and agricultural assets.

Following the completion of the 300-hectare Feasibility Study in December 2020, Alterra has been focused on managing the 5-hectare trial site and securing funding for the 52-hectare next stage of development, now in place with the capital raising announced today.

The Study confirmed the opportunity for the Company to develop a large-scale project in a premium horticultural region.

The Carpenters Study is based on an initial 30-year life span, water sufficiency through a 4.1GL dam for irrigation, annual water licences totalling 3GL and development capital of \$34 million.

Alterra’s objective throughout the development process is to generate value for shareholders whilst promoting sustainable agriculture and enhance economic livelihood of rural communities in and around the southern region of Western Australia.

Visit alterra.com.au for more information.

Forward Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.