

# ALTERRA LIMITED

ACN 129 035 221

## OFFER DOCUMENT

for a partially underwritten entitlement offer to Eligible Shareholders of one (1) New Share for every one (1) existing Share held on the Record Date at an issue price of \$0.014 per New Share to raise up to approximately \$4.9 million (before costs) (**Entitlement Offer**)

**THE ENTITLEMENT OFFER OPENS ON 22 JUNE 2022 AND CLOSSES AT 5.00PM (AWST) ON 13 JULY 2022. VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS OFFER DOCUMENT AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.**

**THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISER.**

**AN INVESTMENT IN THE SECURITIES OFFERED BY THIS OFFER DOCUMENT SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE.**

**NOT FOR RELEASE OR DISTRIBUTION INTO THE UNITED STATES OR IN ANY JURISDICTION WHERE THIS DOCUMENT DOES NOT COMPLY WITH THE RELEVANT REGULATIONS.**

# IMPORTANT INFORMATION

## General

This offer document (**Offer Document**) is issued pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document has been prepared by Alterra Limited ACN 129 035 221 and was lodged with ASX on 22 June 2022. ASX takes no responsibility for the content of this Offer Document.

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Offer Document. Any information or representation not contained in this Offer Document should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

## No updates to Offer Document

The information in this Offer Document may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. Except as required by law or regulation, neither the Company, nor any other adviser of the Company intends to update this Offer Document or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in the Offer Document or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

## Application Forms

The Application Forms accompanying this Offer Document are important. To accept the Entitlement Offer please pay by BPAY® or EFT. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 3 regarding the acceptance of your Entitlement.

By making payment by BPAY® or EFT, you acknowledge that you have received and read this Offer Document and you have acted in accordance with the terms of the Offers detailed in this Offer Document.

## Overseas shareholders

### *New Zealand*

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required

to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### ***Thailand***

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This document may be distributed in Thailand only to existing shareholders of the Company.

### **Notice to nominees and custodians**

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand or Thailand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Shareholders resident in Australia, New Zealand or Thailand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **Speculative investment**

An investment in New Shares should be considered highly speculative. Refer to Section 4 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Offer Document in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Shares.

This Offer Document does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

### **Currency**

All financial amounts contained in this Offer Document are expressed as Australian dollars unless otherwise stated.

### **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Offer Document are due to rounding.

**Time**

All references to time in this Offer Document are references to AWST, unless otherwise stated.

**Glossary**

Defined terms and abbreviations used in this Offer Document are detailed in the glossary of terms in Section 5.

**Offer Document intended to be read in conjunction with publicly available information**

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest, including the Company's ASX announcements, and in particular, the Cleansing Statement and ASX announcement released by the Company on 7 June 2022.

All announcements made by the Company are available from the ASX website [www.asx.com.au](http://www.asx.com.au).

## INDICATIVE TIMETABLE

Event	Date
Alterra announces Entitlement Offer	7 June 2022
Alterra lodges Cleansing Statement with ASX and applies for quotation (Appendix 3B)	7 June 2022
'Ex' date	16 June 2022
Record Date (5.00pm (AWST))	17 June 2022
Alterra sends Offer Document and personalised Entitlement and Acceptance Forms to Eligible Shareholders and announces that this has occurred	22 June 2022
Opening Date	22 June 2022
Closing Date (5.00pm (AWST))	13 July 2022
Securities quoted on a deferred settlement basis	14 July 2022
Alterra notifies ASX of results of the Offers	18 July 2022
Anticipated issue date ( <b>Issue Date</b> )	20 July 2022
Anticipated despatch of holding statements	21 July 2022

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.

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# 1. DETAILS OF THE ENTITLEMENT OFFER

## 1.1 Entitlement Offer

The Entitlement Offer is a partially underwritten entitlement offer to Eligible Shareholders of one (1) New Share for every one (1) existing Share held on the Record Date at an issue price of \$0.014 per New Share to raise up to approximately \$4.9 million (before costs) (**Entitlement Offer**). The Entitlement Offer is made to all Shareholders on the register on the Record Date, being 5.00pm (AWST) 17 June 2022 (**Eligible Shareholders**). The issue price represented a 15.6% discount to the 30 day VWAP prior to the Company's ASX announcement on 7 June 2022.

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

Under this Offer Document, Eligible Shareholders are eligible to participate in the Entitlement Offer.

As at the date of this Offer Document, the Company has on issue 347,776,274 Shares, 29,000,000 Options and 20,000,000 Performance Rights. Assuming no Options or Performance Rights are exercised before the Record Date, up to approximately 347,776,274 New Shares may be issued under the Entitlement Offer (subject to rounding). If any Options or Performance Rights are exercised or converted before the Record Date, the Shares issued on such exercise will be eligible to participate in the Entitlement Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

All of the New Shares will rank equally with the Shares on issue at the date of this Offer Document. Refer to Section 2.12 for a summary of the rights attaching to New Shares.

This Offer Document is also for the offer of New Shares that are not applied for under the Entitlement Offer. Refer to Section 2.4 for further details of the Shortfall Offer.

Further information about the Company and its operations is contained in publicly available documents lodged by the Company with the ASIC and ASX. This Offer Document should be read in conjunction with this material.

There are a number of risks associated with investing in the share market generally and the Company specifically. The New Shares must be regarded as highly speculative. Investors should read this Offer Document in its entirety before deciding to invest and in particular, consider the risks detailed in Section 4.

## 1.2 Placement

On 7 June 2022, the Company announced it had received firm commitments from Penagri Group Pty Ltd (**PenAgri Group**) and existing shareholders PenAgri Holdings Pty Ltd (**PenAgri Holdings**) (together with PenAgri Group, the **PenAgri Entities**), Sandon Capital Investments Limited and Sandon Capital Activist Fund (together, the **Sandon Entities**) and Daws & Son Pty Ltd, an entity associated with Emanuel Exports Pty Ltd (together, the **Emanuel Entities**), for a placement of 69,000,000 Shares at an issue price of \$0.014 per Share (**Placement Shares**) to raise approximately \$1 million (before costs) utilising the Company's existing placement capacity under Listing Rules 7.1 and 7.1A (**Placement**).

The Placement Shares were issued on 15 June 2022.

Refer to the Company's announcement of 7 June 2022 for further details of the Placement.

### 1.3 Reasons for the Entitlement Offer and funding allocation

The purpose of the Entitlement Offer is to raise up to approximately \$4.9 million (before costs).

The Company will use the funds raised from the Entitlement Offer (after costs):

- (a) to fund development costs associated with the Company's avocado development located in Pemberton, Western Australia (the **Carpenters Project**);
- (b) for progressing the planting of the Stage 3 (up to 85 hectares) extension of the existing avocado orchard at the Carpenters Project, and for general working capital purposes. The final area of planting for Stage 3 may vary depending on completion of alternative financing arrangements, weather conditions or if input or labour costs significantly increase; and
- (c) for general working capital purposes.

The Company is working towards finalising additional funding for Stage 3 and has had preliminary engagement with a major bank to provide debt funding appropriate for horticultural development projects like the Carpenters Project for working capital and costs associated with Stage 3. However, there is no certainty that this will eventuate or that the Company will be able to secure a funding solution for Stage 3 and for Stage 4, as and when required.

### 1.4 Capital structure on completion of the Offers

On the basis that the Company completes the Offers, the Company's capital structure will be as follows:

	Number of Shares	Number of Options	Number of Performance Rights
Balance as at the date of this Offer Document	347,776,274	29,000,000 <sup>2</sup>	20,000,000 <sup>3</sup>
Entitlement Offer	347,776,274	-	-
<b>TOTAL<sup>1</sup></b>	695,552,548	29,000,000	20,000,000

Notes:

- 1. Includes the Placement Shares and assumes no Options or Performance Rights are exercised before the Record Date and the Entitlement Offer is fully subscribed or all of the Shortfall Shares are placed under the Shortfall Offer.
- 2. Consists of 4,000,000 unlisted Options exercisable at \$0.04 and expiring on 5 April 2023, 14,000,000 unlisted Options exercisable at \$0.04 and expiring on 9 December 2023, 6,000,000 unlisted Options exercisable at \$0.05 expiring on 9 December 2023, 1,500,000 unlisted Options exercisable at \$0.05 and expiring on 25 March 2027, 1,500,000 unlisted Options exercisable at \$0.08 and expiring on 25 March 2027 and 2,000,000 Options exercisable at \$0.12 and expiring on 25 March 2027, subject to various vesting conditions.
- 3. 20,000,000 Performance Rights, subject to various vesting conditions.

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## 2. FURTHER DETAILS OF THE OFFERS

### 2.1 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of a completed Entitlement and Acceptance Form and Application Monies by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If an Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

### 2.2 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.

### 2.3 Underwriting

PenAgri Group has committed to partially underwrite the Entitlement Offer by applying for any Shortfall Shares up to the following amount:

Maximum underwriting commitment (Number of Shares)	Maximum underwriting commitment (\$)
154,857,143	2,168,000

There are no fees, commissions or other consideration payable to PenAgri Group for acting as partial underwriter to the Entitlement Offer and there are no significant events that could lead to the underwriting being terminated. The Company will reimburse any reasonable out-of-pocket expenses of PenAgri Group.

### 2.4 Shortfall Offer

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall Shares.

The Company will offer for issue any remaining Shortfall Shares at the same price of \$0.014 per New Share as that offered under the Entitlement Offer. The offer to issue Shortfall Shares is a separate offer under this Offer Document (**Shortfall Offer**).

The Shortfall Shares will have the same rights as the New Shares as detailed in Section 2.12. Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 3.1 for further details). Other investors may also apply for Shortfall Shares by completing the Shortfall Application Form upon invitation from the Company (refer to Section 3.2).

Under the Shortfall Offer, Shortfall Shares may be allocated to any Eligible Shareholder who applies for Shortfall Shares or to other investors who apply for Shortfall Shares under the Shortfall Offer.



An Application for Shortfall Shares accompanied by payment of Application Monies does not guarantee the allotment of any Shortfall Shares. The Shortfall Shares will be allocated within three months after the Closing Date.

In relation to the Shortfall Offer, the Company reserves the right to issue to an Applicant a lesser number of Shortfall Shares than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

## 2.5 Shortfall allocation policy

Unless otherwise agreed between the Company and PenAgri Group, if there is a Shortfall, the Company will allocate Shortfall Shares according to the following priority:

- (a) to any Eligible Shareholders who apply for their Entitlement in full and apply for Shortfall Shares under the Shortfall Offer, subject to the Company's discretion to scale back applications;
- (b) if, following the allocations in paragraph (a), there remains a Shortfall, those unallocated Shortfall Shares will be allocated to the PenAgri Group pro-rata to its underwriting commitment and any other underwriters or third parties who have committed to underwrite or participate in the Shortfall.

Where shortfall applications exceed the number of Shortfall available, Shortfall Shares will be allocated to Eligible Shareholders in proportion to their respective shareholding.

If there are remaining Shortfall Shares after the above allocations, the Company reserves the right to proceed to allocate New Shares under the Offers and to issue the remaining Shortfall Shares within three months after the Closing Date at its absolute discretion.

Shortfall Shares will not be offered or issued to any Applicant if, in the view of the Directors, to do so would result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

## 2.6 Dilution and potential effect of the Offers on control

As at the date of this Offer Document, the following persons have an interest in 5% or more of the Shares on issue (**Substantial Shareholders**):

Substantial Shareholder	Number of Shares	Percentage (%)
PenAgri Entities	67,050,802	19.28
Sandon Entities	85,057,569	24.46
Emanuel Entities	61,948,870	17.81

As at the date of this Offer Document, the Substantial Shareholders have committed in writing to take up their Entitlements under the Entitlement Offer as detailed below:

Substantial Shareholder	Entitlement Offer commitment (Number of Shares)	Entitlement commitment (\$)
PenAgri Entities	43,526,155	609,366
Sandon Entities	85,057,569	1,190,806
Emanuel Entities	14,759,559	206,634

Following completion of the Placement and the Offers, the maximum interests of the Substantial Shareholders, assuming full take up of Entitlements by the Substantial Shareholders as detailed above and that PenAgri Group's underwriting commitment is called on in full (where there are sufficient Shortfall Shares), will be as follows:

Shareholder	Number of Shares	Percentage (%)
PenAgri Entities <sup>1</sup>	265,434,100	38.16
Sandon Entities <sup>2</sup>	170,115,138	24.46
Emanuel Entities <sup>3</sup>	76,708,429	11.03

If PenAgri Group's underwriting commitment is not called on or not called on in full, the PenAgri Entities' interest in Shares will be lower. The PenAgri Entities will be relying on item 10 of section 611 of the Corporations Act to increase their collective interest.

Notes:

1. The PenAgri Entities have committed to take up 43,526,155 New Shares under the Entitlement Offer and PenAgri Group has committed to underwriting the Entitlement Offer for up to 154,857,143 Shares. The PenAgri Entities will rely on the rights issue exception in item 10 of section 611 of the Corporations Act to increase their collective voting power up to 38.16%.
2. The Sandon Entities have committed to take up 85,057,569 New Shares under the Entitlement Offer.
3. Daws & Son Pty Ltd, one of the Emanuel Entities, has committed to take up 14,759,559 New Shares under the Entitlement Offer.
4. The above table assumes no Options or Performance Rights are exercised before the Record Date.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by the following percentages:

Example Shareholder	Holding as at Record Date	% as at Record Date	Entitlement	Holding if Entitlement not taken up	% following allotment of New Shares
Shareholder 1	100,000	0.03	100,000	100,000	0.015
Shareholder 2	200,000	0.06	200,000	200,000	0.03
Shareholder 3	500,000	0.14	500,000	500,000	0.07
Shareholder 4	1,000,000	0.29	1,000,000	1,000,000	0.145

Notes:

1. The dilution in the above table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. If Entitlements not accepted are not subsequently placed under the Shortfall Offer, the dilution to each shareholder not accepting their Entitlement will be less.
2. The above table assumes no Options or Performance Rights are exercised before the Record Date.

## 2.7 Foreign Shareholders

The Entitlement Offer is being extended to all overseas Shareholders.

## 2.8 Opening and closing dates

The Company will accept payments in respect of the Entitlement Offer from Eligible Shareholders from the Opening Date until 5.00pm (AWST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

Please note that payment made by BPAY® or EFT must be received no later than 5.00pm (AWST time) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure

that their BPAY® or EFT payments are received by the Company on or before the Closing Date.

The Shortfall Offer is currently scheduled to close on the Closing Date but the Directors reserve the right to extend the date that the Shortfall Offer closes by up to three months after the Closing Date, without prior notice.

## **2.9 Issue and Dispatch**

The expected dates for issue of New Shares and dispatch of holding statements are expected to occur on the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

Shortfall Shares may be issued within three months after the Closing Date.

## **2.10 Application Monies held on trust**

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Offer Document until the New Shares are issued. All Application Monies will be returned (without interest in accordance with the Corporations Act) if the New Shares are not issued.

## **2.11 Acceptance and payments**

Acceptance by the Company of a BPAY® or EFT payment creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares.

## **2.12 Rights and liabilities attaching to New Shares**

The New Shares offered under this Offer Document will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

Full details of the rights and liabilities attaching to New Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The Company does not currently intend to pay any dividends. Payment of dividends by the Company will be at the discretion of the Board after taking into account many factors, including, but not limited to, the Company's operating results, financial condition and current and anticipated cash needs.

## **2.13 ASX quotation**

Application will be made to ASX no later than seven days after the date of this Offer Document for Official Quotation of the New Shares. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Offer Document (or such period as the ASX allows), no New Shares will be issued or allotted under the Offers and the Company will return, as soon as practicable, without interest, all Application Monies in accordance with the Corporations Act received pursuant to this Offer Document.

ASX takes no responsibility for the contents of this Offer Document. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares.

## **2.14 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Offer Document, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## **2.15 Continuous disclosure obligations**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from the ASX website [www.asx.com.au](http://www.asx.com.au).

Additionally, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the ASX website.

## **2.16 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

## **2.17 Risks of the Offers**

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the risks applicable to the Company detailed in Section 4, Eligible Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Offer Document in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 4), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

## **2.18 Withdrawal**

The Directors may at any time decide to withdraw this Offer Document and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

## **2.19 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **2.20 Cleansing Statement**

The Company lodged a Cleansing Statement with ASX on 7 June 2022. The Cleansing Statement may be reviewed on the ASX website.

## **2.21 Enquiries concerning Offer Document or Entitlement and Acceptance Form**

If you have any questions in relation to this Offer Document or the Entitlement and Acceptance Form, they should be directed to the Share Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) at any time between 9.00am to 5.00pm (AEST) Monday to Friday.

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### **3. ACTION REQUIRED BY APPLICANTS**

#### **3.1 Eligible Shareholders**

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

If you do not accept your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may either:

- accept all of your Entitlement;
- accept part of your Entitlement and allow the balance to lapse;
- accept all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares; or
- decline to accept any part of your Entitlement and allow it to lapse.

If you are an Eligible Shareholder and wish to accept all or part of your Entitlement:

- carefully read this Offer Document in its entirety;
- consider the risks associated with an investment in the Company (refer to Section 4) in light of your personal circumstances;
- complete the relevant sections of the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form; and
- arrange payment via BPAY® or EFT for the appropriate Application Monies (at \$0.014 per New Share) in accordance with Section 3.3, so that it is received by no later than 5.00pm (AWST) on the Closing Date.

**(a) Acceptance of all of your Entitlement**

If you wish to accept all of your Entitlement, complete the relevant sections of the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer and the total Application Monies (calculated at \$0.014 per New Share accepted under the Entitlement Offer). Please read the instructions carefully.

Please arrange payment via BPAY® or EFT for the appropriate Application Monies (at \$0.014 per New Share subscribed for) (in full) in accordance with Section 3.3, so that it is received by no later than 5.00pm (AWST) on the Closing Date

**(b) Acceptance of part of your Entitlement and allowing the balance to lapse**

If you wish to accept part of your Entitlement and allow the balance to lapse, complete the relevant sections of the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you

wish to accept under the Entitlement Offer and the Application Monies (calculated at \$0.014 per New Share accepted under the Entitlement Offer). Please read the instructions carefully.

Please arrange payment via BPAY® or EFT for the appropriate Application Monies (at \$0.014 per New Share subscribed for) (in full) in accordance with Section 3.3, so that it is received by no later than 5.00pm (AWST) on the Closing Date.

**If you do not take up part of your Entitlement and you allow part of your Entitlement to lapse:**

- (i) **your percentage holding in the Company will be diluted; and**
- (ii) **the shareholding and voting power of the PenAgri Entities will increase.**

**(c) Acceptance of all of your Entitlement and applying for Shortfall Shares**

If you wish to accept all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares, complete the relevant sections of the Entitlement and Acceptance Form in accordance with the instructions contained in this Offer Document and detailed on the Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer, the number of Shortfall Shares you wish to apply for under the Shortfall Offer and the total Application Monies (calculated at \$0.014 per New Share accepted under the Entitlement Offer and \$0.014 per Shortfall Share applied for under the Shortfall Offer). Please read the instructions carefully.

Please arrange payment via BPAY® or EFT for the appropriate Application Monies (at \$0.014 per New Share subscribed for) (in full) in accordance with Section 3.3, so that it is received no later than 5.00pm (AWST) on the Closing Date.

**(d) Allow all or part of your Entitlement to lapse**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything.

The number of Shares you currently hold and the rights attaching to those Shares will not be affected should you choose not to accept or sell any part of your Entitlement.

**If you do not take up all or part of your Entitlement and you allow all or part of your Entitlement to lapse:**

- (i) **your percentage holding in the Company will be diluted; and**
- (ii) **the shareholding and voting power of the PenAgri Entities will increase.**

**(e) Enquiries concerning your Entitlement**

If you have any queries concerning your Entitlement please contact the Company Secretary on +61 (08) 9204 8400.

### **3.2 Applications for Shortfall Shares under the Shortfall Offer**

If you are not an Eligible Shareholder and you have been invited by the Company to apply for Shortfall Shares under the Shortfall Offer, you must complete the relevant sections on the Shortfall Application Form, in accordance with the instructions referred to on the Shortfall

Application Form, including the number of Shortfall Shares you wish to apply for under the Shortfall Offer and the total Application Monies (calculated at \$0.014 per Shortfall Share applied for under the Shortfall Offer). Please read the instructions carefully.

Please arrange payment via BPAY® or EFT for the appropriate Application Monies (at \$0.014 per New Share subscribed for) (in full) in accordance with Section 3.3, so that it is received no later than 5.00pm (AWST) on the Closing Date.

### 3.3 Payment

#### (a) **BPAY®**

For payment via BPAY®, please follow the instruction on the Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australia financial institution that supports BPAY® transactions. If paying via BPAY®:

- (i) you do not need to return the Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form and referred to in this Offer Document; and
- (ii) you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and it is your responsibility to ensure that funds are received by the Share Registry **by no later than 5.00 pm (AWST) on the Closing Date.**

#### (b) **Electronic Funds Transfer (EFT)**

For payment via EFT, please follow the instruction on the Entitlement and Acceptance Form. You can make payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. If paying via EFT:

- (i) you do not need to return the Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form and referred to in this Offer Document;
- (ii) you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and it is your responsibility to ensure that funds are received by the Share Registry **by no later than 5.00 pm (AWST) on the Closing Date;** and
- (iii) please be aware of any associated bank fees and you must quote your unique reference number included on the Entitlement and Acceptance Form as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued.

#### (c) **Cheques or money orders**

The Company and the Share Registry will not accept cheque payment for the Offers. In lieu of this, the Share Registry has established the EFT and BPAY® payment options described above.

The Company shall not be responsible for any delay in the receipt of the BPAY® or EFT payment.



(d) **Foreign Shareholders**

If you are an overseas Shareholder and are unable to make a payment via BPAY® or EFT as described above, please contact the Share Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) at any time between 9.00am to 5.00pm (AEST) Monday to Friday to discuss alternative payment methods.

### **3.4 Representations by Applicants**

By paying any Application Monies, in addition to the representations set out elsewhere in this Offer Document and the Application Forms, you:

- (a) if participating in the Entitlement Offer, represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Offer Document and an accompanying Application Form, and read them both in their entirety;
- (c) agree to be bound by the terms of the Offers, the provisions of this Offer Document and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (f) acknowledge that once a payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- (g) agree to accept and be issued up to the number of New Shares paid for at the issue price of \$0.014 per New Share;
- (h) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you;
- (i) if participating in the Entitlement Offer, declare that you were the registered holder at 5.00pm (AWST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5.00pm (AWST) on the Record Date;
- (j) acknowledge the statement of risks in Section 4 and that an investment in the Company is subject to risk; and
- (k) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Application Forms, nor does it prohibit you from accepting New Shares and that if you participate in the Offers, that you are eligible to do so.

### **3.5 Brokerage**

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

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## **4. RISKS**

### **4.1 Introduction**

The New Shares are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares.

The following list of risks ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

### **4.2 Specific investment risks**

#### **(a) Early stage operations**

The Company's business streams (originator, developer and manager of agricultural land and water assets) are early stage endeavours with no current operating revenue streams. There can be no assurance that the Company will generate revenue from these activities or be profitable in the future. The Company's operating and capital expenditures are likely to increase in line with the requirement for consultants, personnel and equipment associated with development, commissioning, ramp up and commercial production of its operations. The amounts and timing of expenditures will depend on the progress of development activities and production ramp up.

The Company has experienced losses from operations and expects to continue to incur losses until production commences and reaches the required level. The Company expects to continue to incur losses until such time as the Carpenters Project enters into commercial production and generates sufficient revenues to fund its continuing operations.

#### **(b) Climatic variability**

The Company operates in primary production and therefore is exposed to risks associated with climatic variability. This includes risks of drought and extreme weather events that may have a material adverse impact on the Company's operations and financial performance.

#### **(c) Water supply and availability**

The success of the Carpenters Project is contingent upon the availability of water. The Company is reliant upon licenses to extract water held by the landowner and properties adjacent to the Carpenters Project granted by the Department of Water and Environmental Regulation (**DWER**). These licences are renewed every 10 years. If DWER does not renew such licenses or elects to materially amend these licences there could be increased pressure on licenced water resources in the region, reduced availability of water for irrigation purposes which may adversely affect the long term viability of the Carpenters Project.

(d) **Local government approvals**

The Company's operations and business relies upon the need to obtain local government/shire approval to any future operations or potentially an expansion of existing operations. There is a risk that a local government may reject or request significant adjustments to any proposed development application for future projects. Any such rejections may adversely impact upon future operations and hence the financial performance of the Company.

(e) **Dam construction**

The construction of Dam 1 at the Carpenters Project is at the landowner's expense and is subject to various factors beyond the Company's control. Wet weather conditions and availability of equipment or personnel may significantly delay the construction of Dam 1, leading to significant increases in construction costs and time for completion, which may jeopardise the renewal of permits from DWER required to construct Dam 1. DWER may also place additional conditions on the construction of Dam 1 resulting in additional time, scope and cost pressures. Further, the lack of, or no, available contractors to tender for the work or inflated tendered rates for the construction of Dam 1 may create additional delays (impacting on the Company's ability to meet the approval permit requirements) which may impact on the construction of Dam 1 and the long term viability of the Carpenters Project.

To the extent that additional water is required and to mitigate any concerns with the timeframe of Dam 1 construction, the Company has negotiated access to an additional water supply on the adjacent land which is owned by the landowner. The licence agreement to formalise this arrangement is expected to be executed imminently.

(f) **Agricultural risks**

Growing avocados involves an agricultural process. As such, the business is subject to the risks inherent in an agricultural business, including risks of crop failure presented by weather, insects, plant diseases, mould, availability of labour and other agricultural risks. Adverse changes or developments affecting cultivation, production, and processing facilities, including, but not limited to, disease, mould or infestation of crops, fire, frost, hail, explosions, power failures, flood, storms or natural disasters, or material failures of the Company's security infrastructure, could reduce or require the Company to entirely suspend its production avocados. These factors can also impact grow times, the number of harvests and expected production yields

(g) **Future funding**

The Company is developing the Carpenters Project. The Company is working towards finalising additional funding for Stage 3 and has had preliminary engagement with a major bank to provide debt funding appropriate for horticultural development projects like the Carpenters Project for working capital and costs associated with Stage 3. However, there is no certainty that this will eventuate or that the Company will be able to secure a funding solution for Stage 3 and for Stage 4, as and when required.

Further expansion will depend upon the availability of revenues generated by the Company's activities (which are uncertain) and the availability of further funding from other sources, including but not limited to, investor funds, government grants and other incentives (such as R&D tax incentive rebates). No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the market price and the Entitlement Offer and Placement price. Debt financing, if available, may involve restrictive covenants

which limit the Company's financing, operations and business strategy. If the Company is unable to obtain additional financing (whether equity or debt) as is needed, it may be required to reduce the scope of its operations and scale back its expansion and development programs.

(h) **Dependence on key personnel**

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel may have an adverse impact on the Company's performance.

(i) **Contracting and partnering**

The development of the Carpenters Project involves contracting and partnering with other parties. If the Company's partners cease to be able to meet their commitments and obligations to the Company, including due to insolvency, loss of key licences, certifications or permits or any other reason, this could have a material adverse effect on the Company's business, financial condition, development operations and prospects.

(j) **Contractual risk**

The success of the Company's contractual relationships is dependent upon the Company and the other contractual parties maintaining an effective relationship and complying with contractual obligations. The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company also require the involvement of a number of third parties, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(k) **Environmental risk**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment at both State and Federal level. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(l) **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with the Company's activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

(m) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may,

positively or negatively, affect the operating and financial performance of the Company's business.

(n) **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company.

(o) **Carbon Conscious Investments Limited**

The Company owns a 15% interest in Carbon Conscious Investments Limited (**CCIL**), a manager of large-scale carbon projects. The Company has a services agreement with ACCU Asset Management Pty Ltd (**Services Agreement**), a wholly owned subsidiary of CCIL, which generates asset management fees for the Company. In the half year to 31 March 2022, the Company recorded revenue of \$241,882 derived from its management agreement (2021: \$268,781) and received dividend income from CCIL of \$59,996 (2021: \$68,344). The CCIL board has stated they are undertaking a formal strategic process to identify options that may deliver shareholders with an opportunity to monetise their investment in CCIL. The outcome of this process may impact the future dividend stream for the Company. Discussions are continuing with the management of CCIL in relation to the Services Agreement. The outcome of these discussions may impact the future revenue stream for the Company.

(p) **New investments**

The Company may make acquisitions and investments in the future as part of future growth plans. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions or investments will result in a return for Shareholders. Such acquisitions or investments may result in the use of cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(q) **COVID-19**

The current COVID-19 pandemic is continuing to impact global capital markets and companies abilities to conduct business operations. The Company will seek to monitor and assess its ability to conduct operations in light of the COVID-19 pandemic. However, as the situation with respect to COVID-19 continues to develop (and various government restrictions may be implemented), there can be no assurance that the Company will be able to continue to mitigate any adverse effects of COVID-19 on its operations and planned business activities.

Further, the Company is ultimately exposed to the general economic conditions globally which could have an adverse effect on the operating and financial performance of the Company. A prolonged economic contraction as a result of COVID-19 and/or other factors could impact on the Company's ability to conduct its operations.

### **4.3 General risks**

(a) **Price of Shares**

The Shares are subject to general market risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of the Company.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to the Company's performance or prospects.

There is no assurance that the price of the Shares will increase in the future, even if the Company's earnings increase.

Some of the factors which may affect the price of the Shares include:

- (i) fluctuations in the domestic and international markets for listed stocks;
- (ii) general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government;
- (iii) fiscal, monetary or regulatory policies, legislation or regulation;
- (iv) inclusion in or removal from market indices;
- (v) the nature of the markets in which the Company operates;
- (vi) general operational and business risks;
- (vii) variations in sector performance, which can lead to investors exiting one sector to prefer another; and
- (viii) initiatives by other sector participants which may lead to investors switching from one stock to another.

Deterioration of general economic conditions may also affect the Company's business operations, and the consequent returns from an investment in Shares.

In the future, the sale of large parcels of Shares may cause a decline in the price at which the Shares trade on ASX.

**(b) Shareholder dilution**

In the future, the Company may elect to issue further Shares in connection with fundraisings, including to raise proceeds for acquisitions or investments. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings.

**(c) Tax law and application**

The application of and change in relevant tax laws (including income tax, goods and services tax (or equivalent), rules relating to deductible liabilities and stamp duty), or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of the Company or the tax treatment of a Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax paid or payable by the Company.

Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or other countries in which the Company operates) and / or any changes in tax rules and tax arrangements (again in Australia or other countries in which the Company operates) may increase the amount of tax paid or payable by the Company, may also impact Shareholder returns and could also have an adverse impact on the level of dividend franking / conduit foreign income and Shareholder returns. In addition, an investment in Shares involves tax

considerations which may differ for each Shareholder. Each Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

(d) **Force majeure events**

Events may occur within or outside Australia that could impact upon global, Australian or other local economies relevant to the Company's financial performance, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.

(e) **Accounting standards**

Australian Accounting Standards (**AAS**) are adopted by the AASB and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

(f) **Expected future events may not occur**

Certain statements in this Offer Document constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, prospective investors should not place undue reliance on such forward looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by the Company, or any other person referred to in this Offer Document, that a particular outcome or future event is guaranteed.

(g) **Trading in Shares may not be liquid**

There is no guarantee that there will be an ongoing liquid market for the Shares. Accordingly, there is a risk that, should the market or the Shares become illiquid, the Shareholders will be unable to realise their investment in the Company.

(h) **General economic and financial market conditions**

The operating and financial performance of the Company is influenced by a variety of general domestic and global economic and business conditions that are outside the control of the Company. There is a risk that prolonged deterioration in general economic conditions may impact the demand for the Company's products and negatively impact the Company's financial performance, financial position, cash flows, dividends, growth prospects and Share price.

#### **4.4 Investment speculative**

The above list of risks ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Prospective investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.



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## 5. GLOSSARY

In this Offer Document, unless the context otherwise requires:

**\$** means Australian dollars.

**AAS** has the meaning given to that term in Section 4.3.

**AASB** means the Australian Accounting Standards Board.

**Applicant** means a person who pays for New Shares.

**Application** means a valid application for New Shares under the Entitlement Offer or the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form (as applicable).

**Application Monies** means application monies for New Shares received by the Company from an Applicant.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

**AWST** means Australian Western Standard Time.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

**Carpenters Project** has the meaning given to that term in Section 1.3.

**CCIL** has the meaning given to that term in Section 4.2.

**CHES** means ASX Clearing House Electronic Subregistry System.

**Cleansing Statement** means the notice lodged by the Company with ASX in accordance with section 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer.

**Closing Date** means the date referred to as such in the Indicative Timetable.

**Company** or **Alterra** means Alterra Limited ACN 129 035 221.

**Constitution** means the constitution of the Company as at the date of this Offer Document.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**DWER** has the meaning given to that term in Section 4.2.

**Eligible Shareholder** means a person who is a Shareholder at 5.00pm (AWST) on the Record Date.

**Emanuel Entities** means Emanuel Exports Pty Ltd and Daws & Son Pty Ltd.

**Entitlement** means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

**Entitlement Offer** has the meaning given to that term in Section 1.1.

**Entitlement and Acceptance Form** means the entitlement and acceptance form attached to, or accompanying this Offer Document, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

**Indicative Timetable** means the indicative timetable on page 5 of this Offer Document.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

**Listing Rules** means the official listing rules of ASX.

**New Share** means a Share offered pursuant to this Offer Document.

**Offer Document** means this offer document dated 22 June 2022.

**Offers** means the Entitlement Offer and Shortfall Offer.

**Official Quotation** means quotation of Shares on the official list of ASX.

**Opening Date** means the date referred to as such in the Indicative Timetable.

**Option** means an option to acquire a Share.

**PenAgri Entities** means PenAgri Group and PenAgri Holdings.

**PenAgri Group** means PenAgri Group Pty Ltd.

**PenAgri Holdings** means PenAgri Holdings Pty Ltd.

**Performance Right** means a performance right in the capital of the Company.

**Placement** has the meaning given to that term in Section 1.2.

**Placement Shares** has the meaning given to that term in Section 1.2.

**Record Date** means the date referred to as such in the Indicative Timetable.

**Sandon Entities** means Sandon Capital Investments Limited and Sandon Capital Activist Fund.

**Section** means a section of this Offer Document.

**Services Agreement** has the meaning given to that term in Section 4.2.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

**Share Registry** means Automic Pty Ltd.

**Shortfall** means the New Shares not applied for under the Entitlement Offer before the Closing Date.

**Shortfall Application Form** means the application form attached to, or accompanying this Offer Document, to be used for the purposes of applying for Shortfall Shares.

**Shortfall Offer** has the meaning given to that term in Section 2.4.

**Shortfall Shares** means the New Shares constituting the Shortfall.

**VWAP** means volume weighted average price.

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[EntityRegistrationDetailsLine1Envelope]  
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[EntityRegistrationDetailsLine6Envelope]

Holder Number:  
[HolderNumberMasked]

Shares held as at the Record Date at  
5.00pm (AWST) 17 June 2022  
**[CumBalance]**

**OFFER CLOSES 5.00PM (AWST) 13 JULY 2022 (WHICH MAY CHANGE WITHOUT NOTICE)**

Alterra Limited (the **Company**) is making a non-renounceable pro-rata offer of New Shares to Eligible Shareholders on the basis of one (1) New Share for every one (1) existing Share held on the Record Date at an issue price of \$0.014 per New Share to raise up to approximately \$4.9 million (before costs) (**Entitlement Offer**). The Entitlement Offer is made to all Shareholders on the register on the Record Date, being 5.00pm (AWST) 17 June 2022 (**Eligible Shareholders**). PenAgri Group Pty Ltd has committed to partially underwrite the Entitlement Offer by applying for any Shortfall Shares up to the maximum underwriting commitment being \$2,168,000.

Eligible Shareholders who take up their Entitlement in full are being offered an opportunity to apply for additional Shares in excess of their Entitlement pursuant to the Shortfall Offer. Shortfall Shares will be issued at the Offer Price of \$0.014 per Share. Shortfall Shares will only be available where there is a Shortfall between Entitlement and Acceptance Form applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer.

The Offer Document dated 22 June 2022 contains information about the Offer and you should carefully read the Offer Document before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document. If you do not understand the information provided in the Offer Document or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Offer Document.

## 1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

[illegible]

## 2 APPLICATION FOR SHORTFALL SHARES

As an Eligible Shareholder, you are invited to apply for Shortfall Shares, providing you have taken up your full Entitlement.

	Payment Amount A\$ (\$0.014 per Share)	Number of Shortfall Shares Applied
Shortfall Application	<div style="display: flex; justify-content: space-around;"> <span>[ ][ ] [ ][ ] , [ ][ ][ ][ ] , [ ][ ][ ][ ] , [ ][ ][ ]</span> </div>	<div style="border: 1px solid black; height: 20px; width: 600px;"></div>

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

### 3 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order.  
You do not need to return this form if you have made payment via BPAY® or EFT.

<b>Total Payment</b>	<b>A\$</b>	<div><div></div><div></div><div></div></div>	,	<div><div></div><div></div><div></div></div>	,	<div><div></div><div></div><div></div></div>	,	<div><div></div><div></div></div>
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### Option A – BPAY®

**Biller Code: 352435**

**Ref No:** [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

**Note:** You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.

### Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: [HolderId]-4796-1AG

Funds are to be deposited in AUD currency directly to following bank account:

**Account name:** Automic Pty Ltd  
**Account BSB:** 036011  
**Account number:** 580658  
**Swift Code:** WPACAU2S

**IMPORTANT: You must quote your unique reference number as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and Shares subsequently not issued.**

**4****Elect to receive email communication**Return to Automic Group by email to [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au)

<b>Telephone Number</b> (    )	<b>Contact Name (PLEASE PRINT)</b>	<b>1AG[HolderId]</b>
Please insert your email address if you wish to elect to be an e-Shareholder, and you consent to receiving communications from the Share Registry		

## INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary shares in the capital of the Company on the Record Date (**Eligible Shareholders**).

### ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

#### 1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

#### 2 Applying for Shortfall Shares

If you accept your full entitlement and wish to apply for Shortfall Shares in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Shortfall Offer by following the instructions on this Entitlement and Acceptance Form.

Your application for Shortfall Shares may not be successful (wholly or partially). The decision in relation to the number of Shortfall Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

#### 3 Payment

By making a payment via BPAY or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by Automic Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AWST) on 13 July 2022.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

**Payment by BPAY®:** You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

**Payment by EFT:** You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

**If you are an overseas Eligible Shareholder and are unable to by via BPAY® or EFT in Section 3, please contact Automic to pay via international bank transfer or other suitable payment method.**

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AWST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such shares for which you have paid.

#### 4 Contact Details - Elect to receive email communication

The Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).