

VOLUNTARY DELISTING FROM ASX

Alterra Limited (ACN 129 035 221) (ASX: 1AG) (**Company**) announces that it has made a formal application to the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**), following receipt of in-principle advice from ASX that it will agree to the Company's request on the following conditions:

- (a) The request for removal of the Company from the Official List is approved by way of a special resolution of the shareholders of the Company.
- (b) The notice of meeting seeking shareholder approval for the Company's removal from the Official List must include, in form and substance satisfactory to ASX:
 - (i) a timetable of key dates, including the time and date at which the Company will be removed;
 - (ii) a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - (iii) a statement to the effect that if shareholders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List, and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and
 - (iv) to the satisfaction of ASX, the information prescribed in section 2.11 of ASX Guidance Note 33.
- (c) The removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
- (d) The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.
- (e) The Company releases the full terms of this decision to the market upon making a formal application to ASX to remove the Company from ASX.

Reasons for Delisting

Following a detailed review, the Board of Directors of the Company have unanimously determined that the delisting is in the best interests of shareholders for the following reasons:

(a) **Fundraising difficulties**

The Company requires funding to meet its ongoing operational and working requirements and to fund project development and other activities associated with the Carpenters Project. However, since 2022, the Company has experienced significant fundraising difficulty and has not benefited from being a listed entity in this sense.

The Company has one primary project, an Avocado Orchard, located in the South West of Western Australia. The project was initially planned to be 300Ha following successful execution of a lease in excess of this area. This was subsequently reduced to 200Ha due to an inability to raise the amount of capital required to execute the development plan. At the moment, the company has only been able to secure funding to develop and maintain 100Ha. The next phase is for an additional 45Ha, followed by another 55Ha. The funding required to develop this next phase is from new investors. Based on preliminary discussions, new investors have indicated they are unlikely to fund the project in a listed environment as the corporate costs associated are not required for an investment of this type.

Because of the limited support for the Company's previous capital raisings in December 2023, June 2022 and May 2021, the Company has been required to seek funds from outside the ASX. However, this is impeded by the Company's low market capitalisation.

The Company has also been reliant on funding from directors/management and major shareholders such as Penagri Holdings Pty Ltd, Penagri Group Pty Ltd and Sandon Group.

Of a total of \$1.392m in funds raised in the previous 6 months, directors/management have been responsible for approximately \$749K and a further \$545K being funded by three (3) major shareholders only. The funding that the Company has received from major shareholders has been integral to the Company's ability to continue to achieve its objectives. However, the Company recognises that such reliance on directors, management and major shareholders, without shareholder support for capital raisings, is unsustainable moving forward.

The Company is already experiencing difficulties associated with the lack of equity. At the Carpenters Project, for example, development of stage 4 (45Ha) has not yet commenced because a substantial injection of equity (and accompanying debt) is required prior to doing so.

(b) Lack of Liquidity

As at the date of this announcement, the Company has approximately four (4) members 704,179,708 shares of 870,690,685 total shares. There has been a significant lack of liquidity in trading in the Company's shares on ASX, as evidenced by the following statistics:

Month	Days traded	Number of Shares Traded	Value of Shares Traded
February 2024	7	1,177,031	7,065
January 2024	8	3,297,187	20,898
December 2023	10	4,462,285	28,296
November 2023	9	2,041,975	16,335
October 2023	11	1,819,717	12,738
September 2023	6	3,542,392	21,254
August 2023	9	9,980,174	79,841
July 2023	12	7,356,588	80,922
June 2023	9	2,099,007	23,089
May 2023	10	4,688,604	56,263

Recent trading history shows notably low volume trading in the Company's shares on ASX.

(c) Disproportionate impact on price

As only small numbers of the Company's shares are being traded on ASX, this has on occasion had a disproportionate impact on the share price. A low value trade or a trade in a small number of Company shares could have a marked impact on the official ASX market price, and there is a risk that a trade of only a few Company shares could cause the reported price to change significantly as some recent trades have proved. This potential volatility could make it difficult for investors to make an accurate assessment of the actual value of their Company shares and increase exposure to a person effecting trades with the intention of manipulating the reported price.

(d) Listing Costs

As at the date of this announcement, the Company has cash reserves of less than \$1.03m. The Board estimates that costs attributable to the Company's ASX listing are approximately \$500K per annum. In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the ASX listing. The Board believes that the funds used to maintain the Company's ASX listing, together the management time, could be directed toward the ongoing focus and development of the Company's projects if the Company is delisted from the ASX, in particular where the Company sees little tangible benefit from being a listed company at present.

Consequences for Delisting

The consequences for the Company and its security holders if the Company is removed from the Official List are as follows:

(a) Inability to trade the Company's shares on ASX

If the Company is unlisted, Shareholders will no longer have the ability to buy and sell shares in the Company on the ASX. This means that there will no longer be a readily accessible market and mechanism to buy and sell the

Company's shares. Shares will only be able to be sold by way of private transaction. There will be difficulties finding a buyer for Shares if Shareholders wish to sell them.

There are also restrictions under the Corporations Act on a potential buyer's ability to make unsolicited offers to buy Shares from a Shareholder (section 1019C and following). These requirements for example, impose an obligation on a potential purchaser in an unlisted context to provide a fair estimate of the value of the Shares and an explanation of the basis on which that estimate was made.

(b) Removal of ASX Listing Rules Protection

The ASX Listing Rules will cease to apply to the Company once delisted and Shareholders will not have the benefit of protections inherent in the ASX Listing Rules. These include restrictions relating to:

- (i) disclosures on issuing of Shares and other Securities (Listing Rule 3);
- (ii) ASX corporate governance principles (Listing Rule 4); and
- (iii) making significant changes to the nature or scale of the Company's activities (Listing Rule 11).

However, Shareholders will continue to have the protections applicable to public companies under the Corporations Act.

While the Company continues to have in excess of 100 Shareholders, the Company will be an 'unlisted disclosing entity' for the purposes of the Corporations Act, and will therefore remain subject to the continuous disclosure provisions in section 675 of the Corporations Act, which require an entity to lodge certain material information with ASIC.

The Company will also continue to be subject to obligations to prepare audited annual and half-yearly financial statements under Part 2M.3 of the Corporations Act and will be required to hold an Annual General Meeting at least once each calendar year and within five months after the end of its financial year in accordance with section 250N of the Corporations Act. Moreover, Shareholders will continue to receive the benefit of the protections under Chapter 6 of the Corporations Act (for so long as the Company has 50 shareholders or more).

(c) Restriction on Public Capital Raising

If the Company is not listed on the ASX, it will not be able to raise funds on the ASX. As set out above, the Company is already experiencing difficulty in raising funds on the ASX. The Company will, however, be able to raise funds through the issue of Shares to existing or new Shareholders, subject to compliance with Chapter 6 of the Corporations Act.

If a shareholder of the Company considers the proposed delisting to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

If a shareholder of the Company considers the proposed delisting involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

Shareholder Arrangements

The Company intends to purchase unmarketable parcels and expects that its shares will remain listed on ASX for at least one month after the upcoming General Meeting of Shareholders, so that security holders have at least that period to offer their securities for sale on ASX should they wish to do so, assuming that Shareholders approve the delisting of the Company and there remains an active market for those shares. Further details of the minimum holding buyback will be included in a separate announcement to be released by the Company in due course.

The Company will look at buy back options post delisting upon a strategic investor providing capital to support the buy back.

Indicative Timetable

The proposed delisting is subject to shareholder approval (as a special resolution at a General Meeting likely to be held in April 2024). Further details relating to the proposed delisting, including potential advantages and disadvantages for shareholders, the consequences of the special resolution not being approved, and further details as to how shareholders can sell their securities prior to the proposed delisting, will be included in the Notice of Meeting. All shareholders will be entitled to vote on the resolution.

The indicative timetable for the proposed delisting is set out below.

Event	Date
Formal application submitted to ASX	29 February 2024
Notice of Meeting (NOM) dispatched to shareholders	11 March 2024
General Meeting of Shareholders	10 April 2024
Expected Date of removal of the Company from the Official List	10 May 2024

Commenting on the proposed delisting, Executive Director, Mr Greg Harvey, said:

“The Board has concluded that it is in the best interest of all shareholders, that the Company delist in order to disassociate the market capitalisation from the underlying value of its assets, in particular, our flagship Carpenters Project. The Company believes the ASX listing is no longer beneficial to the Company and its shareholders and is prohibitive to realising value for its shareholders. I urge all shareholders to support the delisting resolution as we look to protect and in due course enhance shareholder value.”

Steve Ledger

Company Secretary

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

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About Alterra Limited

Alterra is developer of the Carpenters avocado project located between Manjimup and Pemberton in Western Australia's south-west.

The Carpenters Project currently consists of circa 100ha of Hass avocados represented by an initial Stage 1 (5ha) planting in 2020, followed by Stage 2 planting (2021) (7ha) and Stage 3 planting (85ha) (2023).

Alterra is also a 15% shareholder in Carbon Conscious Investments Limited, which manages large scale projects registered with the Clean Energy regulator that generate Australian Carbon Credit Units.

Alterra continues to assess additional horticultural opportunities to add value for shareholders.

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.