

RNS Number : 8894H
Alteration Earth PLC
01 August 2023

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1 August 2023

Alteration Earth PLC (the "Company" or "ALTE")

Heads of Terms signed

Proposed Acquisition and Suspension of Listing

Alteration Earth PLC (the "**Company**") is pleased to announce that, on 31 July 2023, it entered into non-binding heads of terms to acquire the entire issued share capital of Verdant Earth Technologies Limited, a limited liability company in the renewable energy sector incorporated in Australia ("**Verdant**") in consideration for an issue of new shares in the Company (the "**Proposed Acquisition**"). The Proposed Acquisition is subject to legal, financial and other due diligence and entry into a legally binding share purchase agreement ("**SPA**"). As no binding agreement has yet been reached, the Company cannot guarantee that the Proposed Acquisition will proceed to completion.

About Verdant

Verdant is a green energy solutions company, with a particular focus on modern, sustainable biomass technologies. Its goal is to develop a network of renewable energy projects to assist in the decarbonisation of energy grids globally.

Verdant's flagship project is the Redbank Power Station, a 151 MW decommissioned baseload power generation plant located in New South Wales, Australia ("**NSW**") with plans currently in place to recommission to run on sustainable biomass. When restarted, Redbank has the capacity to output circa 1,000,000 MWh per annum, enough to power approximately 200,000 homes in NSW. Redbank is currently progressing through the approvals process with the NSW government and Verdant's management forecast first generation in Q4 2024.

Following the restart of Redbank, Verdant has plans to meet the growing need for renewable power through the roll-out of multiple plants averaging 80 MW each in eastern Australia and it is currently evaluating opportunities to replicate the model in the UK and Europe.

Background to the Proposed Acquisition

The Company was established as a 'special purpose acquisition company' with the objective of acquiring a company, business, project or asset in the clean technology and/or clean energy sectors, as outlined in its prospectus published on 17 June 2022, a copy of which can be found on the Company's website at the following link: <https://altearthplc.com/publications/>.

The Proposed Acquisition is in line with the Company's acquisition strategy.

The Company yesterday entered non-binding heads of terms for the acquisition of 100% of the issued share capital of Verdant. The proposed transaction value is £125 million (the "**Purchase Price**"). The Purchase Price, which shall be finalised subject to the completion of due diligence and agreement between the parties of the valuation of the enlarged group, shall be satisfied by the issue of new ordinary shares in the capital of the Company.

The Proposed Acquisition, if completed, will be accompanied by a placing of new shares by the Company to raise equity capital (the "**Placing**") to fund the working capital requirements of the enlarged group, details of which will be announced in due course. The Proposed Acquisition, if completed, will result in the shareholders of Verdant having a majority interest in the enlarged group.

On completion of the Proposed Acquisition, it is the Company's intention to seek admission of its ordinary share capital, as enlarged following Completion and pursuant to the Placing, to the Standard Segment of the Official List of the Financial Conduct Authority (the "**FCA**") and to trading on the Main Market of the London Stock Exchange (together, "**Admission**").

The Proposed Acquisition is conditional on, amongst other things:

- obtaining the necessary regulatory approvals of the FCA;
- the satisfactory completion, by each of the parties, of legal, financial and commercial due diligence;
- the parties agreeing, signing and exchanging a legally binding SPA;
- the Placing; and
- Admission.

It is currently expected that should the Proposed Acquisition proceed, the prospectus will be published, and the Proposed Acquisition will complete, during Q4 2023.

The Company has engaged certain advisers, and will engage other professionals, to rapidly progress the requisite due diligence and the preparation of transaction documentation including the SPA and the prospectus.

At this stage, there can be no guarantee that the Proposed Acquisition will complete nor as to the final terms of the Proposed Acquisition. Further announcements and updates will be made in due course.

Suspension of Listing

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. As the Company is currently unable to provide full disclosure under Listing Rule 5.6.15, it has requested from the FCA, and been granted, a suspension of listing in its shares with immediate effect pending either the issue of an announcement providing further details on the Proposed Acquisition, the publication of a prospectus, or an announcement that the Proposed Acquisition is not proceeding. Any restoration of the listing is subject to the approval of the FCA.

There can be no certainty that the Proposed Acquisition will take place and it remains subject, amongst other things, to final terms being agreed.

Further announcements and updates will be made in due course.

Matthew Beardmore, Director of ALTE, commented:

"This is a very exciting opportunity to bring an asset backed, renewable energy business with a clear, scalable, and deliverable growth plan to the public markets. The Verdant business aligns perfectly with ALTE's ambition to change the way we use earth's resources for the better."

"We look forward to closing the transactional elements and then supporting Verdant with its plans to deliver the business model in multiple countries and jurisdictions."

Richard Poole, CEO of Verdant Earth Technologies, stated:

"Global energy grids are in turmoil as they adapt to the introduction of intermittent renewable energy coupled with the retirement of baseload fossil fuels. Verdant's modern leading approach to bioenergy to deliver projects with negative CO₂ profiles with long term carbon sinks and net zero, 24/7 dispatchable power (the "Verdant System") provides an exciting green solution and alternative to fossil fuel baseload power ensuring that the lights stay on."

"We're excited to begin the next chapter of our development with the impending restart of Redbank and the opportunity to aggressively grow by replicating our Verdant System, negative CO₂ profile modern bioenergy strategy globally. The proposed transaction with ALTE reflects our shared vision to bring to market new reliable renewable energy infrastructure to address future global energy needs."

Enquiries

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