

Quarterly Report for the Period Ended 31 December 2022

Alterra Ltd (ASX:1AG) (**Alterra or Company**) is pleased to present the Quarterly Report and Appendix 4C for the period ended 31 December 2022 (**Quarter**).

Operations

During the period the Company achieved a significant milestone with over 20,000 trees in the ground at the Company's 100% owned Carpenters Project in Western Australia's south-west (**Carpenters**). This milestone was passed during the Stage 3 planting program that commenced during the Quarter and is expected to complete in March 2023.

In total, approximately 48,000 trees are scheduled to be in the ground at the end of Stage 3, covering up to 85 hectares of Hass avocado trees. This adds to the existing Stage 1 (5 ha) and Stage 2 (7 ha) avocado orchards planted in prior seasons at Carpenters. The significant uplift from the Stage 3 program will mean Carpenters will have close to 100ha of trees. The first production contribution is expected to come from the Stage 1 trees in the 2023/24 harvest.

Previous delays from adverse weather conditions have largely been overcome with minor rescheduling to the planting program. This has resulted in the maintenance of the original March 2023 completion date. The Company will continue to monitor weather conditions and adjust the planting schedule if required.



In addition to the planting milestone, there has been significant progress with the installation of key infrastructure on site as Carpenters establishes itself as a large scale operation.



Corporate

During the Quarter, the Company received \$907k (plus \$5k interest) following a successful Research and Development (R&D) claim with AusIndustry and the Australian Taxation Office. The R&D Tax incentive recognises the innovative avocado growing methodology that has been implemented at the initial 5-hectare Stage 1 planting at the Company's flagship development, Carpenters during the previous financial year.

The R&D funds will be applied to Stage 3 of avocado plantings at the Company's Carpenters Project which once developed will see the Company and the Carpenters Project well positioned in the avocado landscape in Western Australia.

During the Quarter, the Company received fees of \$83k and dividends totalling \$176k from Carbon Conscious Investments Ltd (CCIL) (Alterra:15%). In October 2022, CCIL appointed highly experienced international agribusiness executive, Mr Greg Harvey, Executive Director of Alterra, to the Board of CCIL as a Non-executive Director. He has been joined on the CCIL Board by Mr Paul Jensen, an accomplished director, having served as an executive and non-executive director for over 20 years on both ASX listed and unlisted boards. CCIL also appointed Prime Corporate Advisory, specialists in Mergers & Acquisitions, Corporate Advisory, and Investment Banking to assist with the assessment of multiple inbound enquiries for strategic partnership and acquisition options for CCIL.

During the Quarter, the Company and CCIL mutually agreed to terminate the services agreement between the two parties as Alterra focusses upon the development schedule for the Carpenters project. Alterra's contractual obligation to provide a performance guarantee to a CCIL customer remains unchanged.

In accordance with ASX Listing Rule 5.3.5 the Company advises that payments made to related parties and their associates during the Quarter included director fees, salaries, superannuation and payments to director related parties for the provision of accounting and company secretarial services (\$134k).

In December 2022, 1,000,000 fully paid ordinary shares were issued to the Company's Local Partner in relation to the conversion of 1,000,000 performance rights issued on 6 November 2019.

The Company has advanced discussions with a premium banking institution in relation to debt funding appropriate for horticultural development projects like the Carpenters Project.

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

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Further information:

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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.

Stage 2 (2021) (7ha) is complete following an initial Stage 1 (5ha) planting in 2020. The Company has optimised the development schedule for Carpenters with the planting of Stage 3 (85ha) commenced in November 2022.

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 horticultural opportunities fitting within strategy.

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Alterra Limited

ABN

20129035221

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	83	83
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(125)	(125)
(c) advertising and marketing		
(d) leased assets	(238)	(238)
(e) staff costs	(321)	(321)
(f) administration and corporate costs	(501)	(501)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	912	912
1.8 Other (GST refunds)	276	276
1.9 Net cash from / (used in) operating activities	86	86

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,151)	(1,151)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	176	176
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(975)	(975)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,345	2,345
4.2	Net cash from / (used in) operating activities (item 1.9 above)	86	86
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(975)	(975)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,456	1,456

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,456	2,346
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,456	2,346

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (director related remuneration and salaries in accordance with employment and contractor agreements and approved by the remuneration committee)	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	75
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,456
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,456
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	19
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

20 January 2023

Mark Clements
Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.