



# **ANNUAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**ABN 20 129 035 221**

**Alterra Limited and Controlled Entities  
Annual Report  
for the year ended 30 September 2023**

# CONTENTS

CORPORATE DIRECTORY.....	3
CHAIRMAN’S LETTER .....	4
REVIEW OF OPERATIONS.....	5-7
DIRECTORS’ REPORT .....	8-17
CORPORATE GOVERNANCE STATEMENT .....	19
AUDITOR’S INDEPENDENCE DECLARATION .....	20
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	21
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	22
CONSOLIDATED STATEMENT OF CASH FLOWS .....	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	24
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	25-58
DIRECTORS’ DECLARATION.....	59
INDEPENDENT AUDITOR’S REPORT .....	60-63
ASX ADDITIONAL INFORMATION .....	64
TWENTY LARGEST SHAREHOLDERS .....	66

**ABN 20 129 035 221**

## **Directors**

Mr MARK CLEMENTS, Non-Executive Chairman  
Mr GREGORY HARVEY, Executive Director  
Mr JOHN PALERMO, Non-Executive Director

## **Company Secretary**

Mr MARK CLEMENTS

## **Principal & Registered Office**

LEVEL 3, 150 ST GEORGES TERRACE  
PERTH WA 6000  
TELEPHONE: (08) 9204 8400

## **Auditors**

HLB MANN JUDD (WA PARTNERSHIP)  
LEVEL 4, 130 STIRLING STREET  
PERTH WA 6000

## **Share Registry**

AUTOMIC REGISTRY SERVICES  
LEVEL 5, 191 ST GEORGES TERRACE  
PERTH WA 6000  
TELEPHONE: 1300 288 664

## **Solicitors**

THOMSON GEER  
LEVEL 27, EXCHANGE TOWER  
2 THE ESPLANADE  
PERTH WA 6000

## **Securities Exchange**

AUSTRALIAN SECURITIES EXCHANGE  
LEVEL 40, CENTRAL PARK  
152-158 ST GEORGES TERRACE  
PERTH WA 6000  
(ASX: 1AG)

## CHAIRMAN'S LETTER

Dear Shareholders,

During the 2023 Financial Year, the Alterra team has proudly reached multiple noteworthy milestones at our Carpenters Avocado Project located in Western Australia's south-west.

The team successfully completed Stage 3 of the planting program at the Carpenters Project in March 2023. This included 42,000 trees that added approximately 85ha to the existing orchard. This step change increase brings total orchard size to nearly 100ha with more than 50,000 trees in the ground.

The construction of Dam 1 reached a critical operational milestone over the most recent year. The dam is now sufficiently developed to capture enough water to meet the requirements of the existing orchard and near-term planting schedule. The performance of the orchard during winter has validated the drainage systems installed throughout the ~100ha. The fit for purpose systems have demonstrated efficient diversion and collection of water which will allow sustainable operations into the future. Finalisation of the dam construction was paused during the winter months to minimise erosion and completion is expected to occur during the summer 2023/24 season.

Operationally, the orchard has continued to advance in-line with the seasonal maintenance schedule. This program adheres to global acknowledged best horticultural practice and the excellent tree health is evident across the orchard, noting there was some trees replanted in Stage 3. As part of the recent maintenance completed, several beehives were introduced to facilitate a complete pollination cycle among the recently established trees.

In August 2023, Mr Ben Norrish stepped down as Chief Operating Officer. During FY2023, Mr Norrish was responsible for the successful delivery of the Stage 3 planting program in conjunction with Duncan Wells and the support of local contractors and suppliers. While Mr Norrish will no longer be leading the team, the promotion of Mr Wells has delivered a seamless transition on site and the team has continued to deliver an outstanding level of professionalism in their management of the Project.

Alterra remains dedicated to structuring the Project as a sustainable agribusiness operation of scale. To achieve this goal, the Company aims to use available arable land and water resources responsibly, lower the cost of production through modern fertigation techniques, and use an environmentally sustainable approach to infrastructure development to target best in sector performance.

The upcoming maiden harvest for Stage 1 is fast approaching and has set some exceptional quality fruit for its first cropping cycle. The team expects the operation to be undertaken early December 2023 and is expected to take a week to complete. The first harvest serves as an important milestone to mark the Company's transition from project development to production. Despite the small area of Stage 1, the maiden crop will serve as an ideal opportunity to demonstrate important collection and provenance processes that are required for Alterra to achieve quality certification.

The planning of Stage 4 planting is well underway and preparation of the ground has commenced and is approaching finalisation. The final scale of Stage 4 is subject to a Final Investment Decision (FID) that will occur closer to the date when trees orders are finalised (pre order is complete). This decision will be subject to seasonal weather forecasts and routine commercial considerations.

Throughout FY 2023 the dedication of the team has been exemplary and the step-change in number of trees successfully planted during the year is a visual validation of this performance. The Board remains confident in the premium nature and near-term potential of the Carpenters Project to supply high quality avocados to the rapidly growing global market. We believe that our produce will compete in the high-quality segment of the international market, but also compare favourably on a cost of production basis in the future. We look forward to continuing this progress in FY2024 and thank shareholders for their ongoing support.

**Mark Clements**  
Chairman

# REVIEW OF OPERATIONS

## REVIEW OF OPERATIONS

Dear Fellow Shareholders,

The Alterra team is proud of the multiple major achievements reached during the past financial year.

### Operational Highlights

- Stage 3 planting completed in March 2023 covering 85ha of avocado trees and installation of supporting irrigation and infrastructure. In total approximately 42,000 trees were planted in this stage, a step change lifting the approximate orchard area from 12ha to near 100ha.
- Construction of Dam 1 reached sufficient holding capacity to meet current and upcoming water requirements. The Dam successfully reached the height to capture ~1GL of water over the winter season which can meet the needs of the existing ~100ha. Completion of the Dam to utilise the licenced capacity will occur during the upcoming summer season.
- Stage 1 (the initial trial site) continues to advance towards a maiden harvest, earmarked for early December 2023. The first harvest for the Company will serve to establish logistics avenues and proof of management processes that are necessary for Alterra to achieve quality certification. This certification will be a critical milestone for Alterra to realise premium market pricing.
- Ongoing best horticultural practice has been implemented across the entire orchard to drive operational efficiencies. This includes sustainable irrigation, fertilisation, weed control techniques that provide operational, risk mitigation, and cost reduction benefits.

### Carpenters Project – Stage 3

During the summer months of 2022/23, the Alterra team successfully executed the planting and installation of Stage 3 of the Carpenters Project. There were supply quality issues with approximately 25ha which have subsequently been replanted.

Stage 3 was planned and led by Ben Norrish and completed by Duncan Wells and his operational team. After Stage 1 and Stage 2 planted modest areas, Stage 3 was a significant increase in scale involving ~85 ha of avocado trees (42,000 trees) and installation of the accompanied irrigation and infrastructure. The Carpenters Project now encompasses approximately ~100ha with a total of more than 50,000 avocado trees on the property.

In keeping with previous practice, a final investment decision on Stage 4 and any future stages will be made closer to scheduled planting and subject to routine commercial considerations.



*Overview of Carpenters site showing the significant scale of the orchard following completion of Stage 3 (August, 2023)*

### Dam Construction Update

The Dam wall reached sufficient height to allow storage of 1GL of water prior to a winter pause in construction activities. This critical level created capacity for adequate supply of water to sustain the existing trees and the upcoming plans for Stage 4. To avoid unnecessary ground disturbance, the construction activities paused during winter and the dam will be completed to capture the licenced capacity during the 2023/24 summer season.

### Stage 1 Harvest

The first research and development trial site planted at Carpenters is now referred to as Stage 1. It was initially planned to test some novel irrigation and fertilisation systems and these trials have provided valuable information for subsequent sites. Lessons learnt from the trial site have been incorporated and the best practice applications reapplied to Stage 1. With the most mature avocado trees on the property, Stage 1 is nearing its first harvest.

The Stage 1 site covers 5ha and has 1500 trees and has yielded exceptionally healthy-looking fruit for harvest. While small in scale, the upcoming harvest will provide valuable data to validate collection and provenance practices on-site. This is the final quality assurance step required for the Carpenters Project certification.



*Stage 1 fruit maturing ahead of the first harvest (Cover photo)*

### **Application of best horticultural practice**

During his employment with Alterra, Mr Ben Norrish established a framework for best horticultural practice that Mr Duncan Wells has continued to manage and oversee. Stage 3 was planned and executed from the start with this best practice in mind so the operational and quality benefits will start to yield benefits as those plants mature. Retrospective application of these practices has also been applied to Stages 1 and 2 and the quality of fruit maturing on the Stage 1 trees is a clear demonstration of this professional approach.

### **Community Engagement**

The continued operation of the Carpenters Project relies on the support of several local contractors and suppliers. In addition to the local support, a resident orchard manager will soon relocate to live on the property. The Company acknowledges that to create a valuable and sustainable business model, a balance between production, employment, responsible use of land and water, and financial return must be developed. To this end, the Company recognises that to earn the support of the community, the community must see a positive contribution and connection from the Company back to individuals in the Community. Alterra remains committed to creating opportunities for locals as the Carpenters Project continues to grow in the future.



*The team performing maintenance work onsite following Winter 2023*

## Avocado Market Outlook

The 2023/24 harvest season has commenced by delivering strong yields across the West Australian crop, likely due to favourable weather conditions during pollination in spring of 2022. This may see some reduction in prices due to increased supply as compared with the 2022/23 season. This further demonstrates the advantages of larger scale operations in the current avocado market to absorb fluctuating prices. It also highlights the requirement for the avocado industry to continue to pursue and invest in international market entry into markets such as Japan, India, China and the Indo-pacific region to reduce pressure and reliance on the domestic Australian market. Focus on maintaining strong yields should be at the forefront of an avocado grower's operational plan to help reduce the impact of lower farmgate prices. There should also be a focus on producing high quality fruit to take advantage of the higher prices obtained for premium graded fruit.

## ESG Commitment and Framework

Alterra remains committed to delivering a positive social and economic impact from the Carpenters Project. As part of this commitment, Alterra is targeting five sustainability goals modelled off the United Nations global goals. These goals allow the Company to measure its contribution to the community and responsible use of resources in the regions in which it operates.

The goals targeted are:

- Zero Hunger: create sustainable food production systems that strengthen industry resilience against climate change, extreme weather events and drought through the use of methodologies that improve land and soil quality.
- Clean Water: substantially increase water storage to reduce stress on existing freshwater resources and improve water-use efficiencies across the development. In addition, support and strengthen the Company's participation in local communities to improve water management.
- Economic Growth: Support local businesses wherever possible through local contracts, employment, and seasonal labour hire in the community. Ensure Alterra's operations contribute positively to the local economy. Implement best practice frameworks to ensure the safety of its local employees and seasonal staff.
- Industry, Innovation and Infrastructure: Enhance scientific research, upgrade the technological capabilities of industrial sectors and encourage innovation in avocado growing methodology. Adopt and apply practices from other horticultural sectors to avocados to improve growing techniques and water efficiencies.
- Responsible Consumption and Production: Ensure responsible and sustainable management of natural resources, notably water.

## Carbon Conscious Investments Limited ('CCIL')

Alterra Limited owns a 15% interest in CCIL, a manager of large-scale carbon projects to generate Australian Carbon Credit Units (ACCUs).

## Financial Result

The Company reported an operating loss of \$2.24M (2022: \$1.495M) which reflected the significant increase in development activities on the Carpenters Project. Cash outflows on development costs were in excess of \$3.567M (2022: \$2.502M) excluding employee costs. The net assets of the Company decreased to \$10.34M (2022: \$12.53M).

**Gregory Harvey**  
Executive Director

Your directors submit the annual financial report of Alterra Limited (hereafter referred to as the "Company") and the entity it controls (hereafter referred to as the "Group") for the year ended 30 September 2023. In order to comply with the provisions of the Corporations Act 2001, the directors' report is as follows:

## Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated below.

MARK CLEMENTS (*Non-Executive Chairman*)

GREGORY HARVEY (*Executive Director*)

JOHN PALERMO (*Non-Executive Director*)

## Information on Directors

### MARK CLEMENTS BCom, FCA, FGIA, AICD (Non-Executive Chairman and Company Secretary)

Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance, having worked for ASX companies across a range of industries. He is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is company secretary for a number of diversified ASX listed companies and is non-executive director of Emerald Resources NL. He is a Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee. He has had no other directorships of ASX listed companies in the last 3 years other than MSM Corporation international Limited which was delisted in 2021.

### GREGORY HARVEY (Executive Director)

Greg Harvey is a highly experienced and insightful investor and executive with more than 25 years' acumen in the international agribusiness sector. Greg is the Managing Director and Chief Executive of a leading Western Australian based agribusiness, PenAgri Group Pty Ltd. Greg's previous roles includes being the MD/CEO of the Harvest Road Group, and the MD/CEO of the Interflour Group Pte Ltd based in Singapore. Greg is a non-executive director of D'Orsogna Limited, a non-executive director of Carbon Conscious Investments Limited, and a director of Agora Livestock Pty Ltd. He is a graduate of the University of Western Australia, Monash University and INSEAD, and a Fellow of the Australian Institute of Company Directors. He has had no other directorships of ASX listed companies in the last 3 years.

### JOHN PALERMO B.Bus, FCA, AGIA (Non-Executive Director)

Mr Palermo is a Chartered Accountant with over 25 years of experience in public practice and corporate accounting with areas of expertise including corporate transaction execution, strategic business management and business structuring. He is a partner of Palermo Chartered Accountants which specialises in advising corporate and high net worth clients in Western Australia. He is National Chairman of Chartered Accountants Australia and New Zealand, a Member of the Governance Institute of Australia, and a Board Member and Chair of the Royal Perth Hospital Medical Research Foundation. Mr Palermo was formerly a Board Member of Lifeline WA and the National Trust of Western Australia. He is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee. He was formerly a director of Crowd Media Limited and has had no other directorships of ASX listed companies in the last 3 years.

# DIRECTORS' REPORT (continued)

## Interests in the Shares and Options of the Company

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options
Greg Harvey	269,479,373	-
Mark Clements	1,200,000	6,000,000
John Palermo	1,920,000	6,000,000

Details of unissued ordinary shares under options are as follows:

Number of options	Exercise price	Expiry date
14,000,000	\$0.04	9 December 2023
6,000,000	\$0.05	9 December 2023

The directors as at the time of this report do not hold any performance rights. The Company has 8.5 million performance rights on issue at the time of this report. During the period 1 million performance rights were exercised resulting in 1 million ordinary shares being issued.

For further details regarding options and performance rights refer Note 19.

## Indemnification and Insurance of Directors and Officers

The Company has agreed to indemnify all Members of the Board of Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving an actual or alleged breach or professional duty, other than a failure to manage or supervise such professional services.

## Principal Activities

Alterra is a horticultural project developer, currently focused on the development of its Carpenters avocado project in Western Australia. Alterra also holds a 15% direct interest in Carbon Conscious Investments Limited (CCIL).

## Dividends

No dividends have been paid or declared for the year ended 30 September 2023. The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2023.

## Likely developments and expected results of operations

The Carpenters project is a long dated asset and the results of future operations are dependent on final investment decisions which have not yet been made. Accordingly expected results of those operations cannot be determined and are therefore likely to unreasonably prejudice the company.

## Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## Operating Results for the Year

The loss of the Group for the year ended 30 September 2023 after providing for income tax amounted to \$2,243,466 (30 September 2022: loss of \$1,495,035).

## Financial Position

The net assets of the Group have decreased by \$2,190,407 from \$12,533,397 at 30 September 2022 to \$10,342,990 at 30 September 2023.

## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs that occurred during the year ended 30 September 2023 other than:

- On 19 October 2022 the Company announced the termination of the management services agreement with Carbon Conscious Investments Ltd which was effective from April 2022;
- On 9 March 2023 the Company announced it had secured \$3.7m in debt financing from NAB. The full amount was drawn down during the period.

## Significant Events after Balance Date

The following significant events occurred after the year ended 30 September 2023:

- On 30 September 2023, 10.5m performance rights expired

## Material Business Risks

The key material business risks associated with the Company include;

- Climate risk
- Plant and Crop quality
- Human resources
- Intellectual Property
- Information technology
- Fraud, Theft, Bribery and Corruption
- Legal and regulatory
- Liquidity and Capital

## Climate Change Risk

The Group's strategy is to build commercial, climate resilient land and water assets that drive sustainable growth and leave a positive social, environmental and economic legacy, and is dedicated to managing the effects of climate change risks throughout its development activities.

The Group has continued to build on its governance of climate change risk by incorporating strategy and risk management level considerations into its management systems.

This culture and framework give effect to a rigorous system of opportunity consideration, project proposal and operations management for all assets considered and managed by the Group as it identifies and develops investment-grade agricultural assets. Accordingly, the Group is continuing to develop metrics and as part of this is optimising its resource efficiencies at its projects.

Part of Alterra's model is to create climate resilient agricultural assets by building substantial onsite water infrastructure where properties have existing water rights, but insufficient infrastructure. As part of its development feasibility process, the Group uses extensive hydrology modelling to predict the reliability of water supply to ensure water security and the long-term climate resilience of its projects. This process includes assessing rainfall, runoff records, as well as surface water accessibility and springs rights. The Group also analyses real-time field data on irrigation, as well as soil moisture and nutrient levels within different soil types to create best practice frameworks that manage risk, improve production efficiency, and optimise cost efficiencies at its current and future developments.

The Group's ongoing activities include building on relationships with capital markets that have mandates to invest in projects that contribute to climate change mitigation and are resilient to climate change, strengthening relationships and activities with industry associations, and working constructively with environmental and resource regulators. We believe all markets will be affected by climate change risks as will our customers and suppliers and the Group considers these matters along with the physical impacts of climate change when developing its management systems, and accordingly it is well informed and positioned to seek out opportunities and mitigate risks.

## Plant and Crop Risk

There is a risk that if the quality of avocado plants are not at the required standard, then plants will fail which has an impact on the development of the orchard. During the year and due to supplier issues the quality of approximately 25ha of Stage 3 plants were impaired and consequently failed. These were replanted. The Company mitigates this risk through having alternative suppliers so that reliance on one supplier is reduced and that quality control regimes exist with suppliers. Suppliers are required to remediate any loss by way of crediting the Company's cost.

## Human Resources Risk

The industry has a risk of availability, capability, and safety with regard to human resources. Labour planning is a foundational component of operational planning to ensure adequate people resources are available, and sufficiently trained and engaged, at the right time, to meet quality standards. To manage the risk of insufficient labour, the Company assesses and proactively utilises multiple employment models including labour hire organisations. From a safety perspective, all workers are inducted, trained, and supervised. Critical safety rules are communicated and workers are encouraged and expected to undertake hazard identification and reporting.

### Intellectual Property Risk

The Group maintains and monitors data relating to its project and similar projects through access to technical partner information. Extensive modelling and analysis of this data represents intellectual property that provides the company with a competitive advantage. An inability to protect this information would have adverse consequences for the company. This risk is mitigated through access restriction and execution of contracts and deeds relevant to the information.

### Information Technology Risk

The Company relies on IT infrastructure, systems and processes to support the operation and growth of the business.

Should such infrastructure, systems and processes fail or become compromised then there is a risk that sensitive or personally identifiable data is accessed or stolen, data is lost, or data and systems are unable to be accessed which may result in reputational damage, legal penalties, and ongoing disruptions to operations and competitive advantage.

The Company implements various strategies to mitigate cyber risk across our applications, networks and websites. The Company focuses on employee education, network defence, enterprise-wide testing, disaster recovery and the segregation of sensitive data. These strategies are internally and externally periodically reviewed, audited, and updated.

### Fraud, Theft, Bribery and Corruption Risk

If staff, contractors, customers or suppliers are involved with fraud, bribery or corruption there could be negative legal, reputational and financial outcomes. The company manages its exposure to this risk through policy, training and process. The Company covers expectations with its Code of Conduct and employment agreements, has in place a whistleblower policy, an operating internal audit function complemented by procedures undertaken by the external auditor, and a suite of mandatory training for employees.

### Legal and Regulatory Risk

A failure to comply with laws or regulations could also have major negative reputational and financial outcomes for the Company. To mitigate this risk, the Company actively engages with appropriate government departments and seeks legal counsel on relevant matters. The Company also ensures appropriately qualified staff monitor compliance.

### Liquidity and Capital Risk

If the Company is unable to access sufficient and desirable funding to meet financial obligations and/or operational and strategic objectives this could have material impacts on the Company's growth aspirations and ongoing operations. The Group manages its liquidity risk using an ongoing cash forecasting model, and maintaining, at all times, an appropriate minimum level of liquidity, comprising committed, unused bank facilities and cash resources, to meet the Group's financial obligations as and when they fall due.

### Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for directors and other key management personnel of Alterra Limited (the "Company"). The term 'executives' is used in this remuneration report to refer to the following key management personnel. The named person held their current position for the year ended 30 September 2023 unless otherwise stated below:

Mark Clements (*Non-Executive Chairman*)

Gregory Harvey (*Executive Director*)

John Palermo (*Non-Executive Director*)

Ben Norrish (*Chief Operating Officer*) (*Appointed 4 March 2022; resigned 31 August 2023*)

### Remuneration Philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

## Remuneration and Nomination Committee

The members of the Remuneration and Nomination Committee include non-executive directors Mark Clements and John Palermo. The Remuneration and Nomination Committee makes recommendations to the full Board on appropriate levels of remuneration within the organisation.

## Remuneration Structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

## Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the initial general held on 2 January 2008 when shareholders approved an aggregate maximum remuneration of \$300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external stakeholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Company. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees. The remuneration of non-executive directors for the year ended 30 September 2023 is detailed in Table 1.

## Executives and Executive Director Remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

## Fixed Remuneration

Fixed remuneration is reviewed periodically by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the Company's executives is detailed in Table 1.

## Variable Remuneration

The objective of the short-term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentives available are set at a level so as to provide sufficient incentive to the senior management team to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

## Link between Performance and Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has had regard to the following indices in respect of the current and previous four financial years:

	2023	2022	2021	2020	2019
EPS (cents)	(0.32)	(0.36)	(1.04)	(0.99)	0.63
Dividends (cents per share)	-	-	-	-	-
Net profit / (loss) (\$)	(2,243,466)	(1,495,035)	(2,220,856)	(1,506,547)	931,424
Share price (\$)	0.008	0.011	0.030	0.047	0.038

# DIRECTORS' REPORT (continued)

## September 2023 Remuneration of Key Management Personnel

Table 1: Key Management Personnel remuneration for the year ended 30 September 2023

	Primary benefits		Post-employment	Equity	Other	Total	%
	Salary & fees	Cash bonuses	Superannuation	Share-based payments			Performance related
Directors	\$	\$	\$	\$	\$	\$	%
Gregory Harvey <sup>(i)</sup>	167,610	-	-	-	-	167,610	0%
Mark Clements <sup>(ii)</sup>	130,500	-	-	22,687	-	153,187	0%
John Palermo <sup>(iii)</sup>	51,923	-	5,514	35,766	-	93,203	0%
<b>Total</b>	<b>350,033</b>	<b>-</b>	<b>5,514</b>	<b>58,453</b>	<b>-</b>	<b>414,000</b>	
Executives							
Ben Norrish <sup>(iv)</sup>	339,170	-	34,549	(9,331)	-	364,388	0%
<b>Total</b>	<b>689,203</b>	<b>-</b>	<b>40,063</b>	<b>49,122</b>	<b>-</b>	<b>778,388</b>	<b>0%</b>

(i) Gregory Harvey was an Executive Director for the year.

(ii) Mark Clements was the Non-Executive Chairman for the year. He also received a fee for the provision of company secretarial services.

(iii) John Palermo was a Non-Executive Director for the year.

(iv) Ben Norrish was appointed as Chief Operating Officer on 4 March 2022 and left the Company on 31 August 2023.

## Options Granted as Part of Remuneration September 2023

No options were issued to Directors and Executives as part of the short-term incentive scheme during the year ended 30 September 2023.

## Shares Issued to Key Management Personnel for the year ended 30 September 2023

No shares were issued to Directors and Executives as part of the short-term incentive scheme during the year ended 30 September 2023.

## Option Holdings of Key Management Personnel for the year ended 30 September 2023

	Balance at beginning of reporting period	Granted as remuneration	Options exercised	Net change other	Balance at end of reporting period	Vested as at end of reporting period	
						Exercisable	Not exercisable
Directors							
Mark Clements	6,000,000	-	-	-	-	-	6,000,000
John Palermo	6,000,000	-	-	-	-	-	6,000,000
Ben Norrish <sup>(i)</sup>	5,000,000	-	-	(5,000,000)	-	-	-
<b>Total</b>	<b>17,000,000</b>	<b>-</b>	<b>-</b>	<b>(5,000,000)</b>	<b>-</b>	<b>-</b>	<b>12,000,000</b>

(i) Net change amounts to options held at time of resignation and or disposed.

## DIRECTORS' REPORT (continued)

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted in 4 separate tranches	Grant date	Exercisable date	Expiry date	Exercise price	Fair value per option at grant date of each tranche
John Palermo	2,000,000	29 January 2021	Before 9 December 2023 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 15 February 2021 are achieved	9 December 2023	\$0.04	\$0.0210
	2,000,000					\$0.0177
	1,000,000					\$0.0139
	1,000,000					\$0.0110
Mark Clements	2,000,000	25 March 2022	Before 9 December 2023 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 25 March 2022 are achieved	9 December 2023	\$0.05	\$0.00444
	2,000,000					\$0.00376
	1,000,000					\$0.00238
	1,000,000					\$0.00139
Ben Norrish	750,000	25 March 2022	Before 25 March 2027 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 25 March 2022 are achieved	25 March 2027	\$0.05	\$0.0105
	750,000					\$0.0079
	1,000,000					\$0.0059
	750,000					\$0.0109
	750,000					\$0.0081
	1,000,000					\$0.0060

Options granted carry no dividend or voting rights. The expense for the year is disclosed in Note 19.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Link between Performance on and Shareholder Wealth'. Options vest based on the provision of service over the vesting period whereby the director becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

### Shareholdings of Key Management Personnel for the year ended 30 September 2023

	Balance at beginning of reporting period	Granted as remuneration	On exercise of options	Net change other	Balance at end of reporting period
<b>Directors</b>					
Mark Clements <sup>(i)</sup>	1,200,000	-	-	-	1,200,000
John Palermo <sup>(i)</sup>	1,920,000	-	-	-	1,920,000
Gregory Harvey <sup>(ii)</sup>	269,479,473	-	-	-	269,479,473
<b>Executives</b>					
Ben Norrish <sup>(iii)</sup>	250,000	-	-	(250,000)	-
<b>Total</b>	<b>272,849,473</b>	<b>-</b>	<b>-</b>	<b>(250,000)</b>	<b>272,599,473</b>

(i) Shares were acquired by Directors / Executives or their related entities both on market and upon participation in the Company's placement and entitlements offer which completed in July 2022.

(ii) Amounts related to shares acquired by a related party.

(iii) Net change amounts to shares held at time of resignation and or disposed.

### Performance Rights of Key Management Personnel for the year ended 30 September 2023

There were no performance rights carried forward or issued in the current period to Key Management Personnel.

### Loans to Key Management Personnel for the year ended 30 September 2023

There were no loans carried forward or issued in the current period to Key Management Personnel.

## DIRECTORS' REPORT (continued)

### September 2022 Remuneration of Key Management Personnel

Table 1: Key Management Personnel remuneration for the year ended 30 September 2022

	Primary benefits		Post-employment	Equity	Other	Total	%
	Salary & fees	Cash bonuses	Superannuation	Share-based payments			Performance related
Directors	\$	\$	\$	\$	\$	\$	%
Gregory Harvey <sup>(i)</sup>	123,750	-	-	-	-	123,750	0%
Mark Clements <sup>(ii)</sup>	151,273	-	-	7,759	-	159,032	0%
John Palermo <sup>(iii)</sup>	54,000	-	5,468	35,765	-	95,233	0%
John McGlue <sup>(iv)</sup>	55,000	-	-	(20,700)	-	34,300	0%
<b>Total</b>	<b>384,023</b>		<b>5,468</b>	<b>22,824</b>	<b>-</b>	<b>412,315</b>	
Executives							
Ben Norrish <sup>(v)</sup>	133,282	-	13,616	10,886	-	157,784	0%
<b>Total</b>	<b>517,305</b>	<b>-</b>	<b>19,084</b>	<b>33,710</b>		<b>570,099</b>	<b>0%</b>

(i) Gregory Harvey was appointed Executive Director on 31 December 2021 and was remunerated \$165,000 per annum from that time.

(ii) Mark Clements was Interim Executive Director until 31 December 2021 and was remunerated \$165,000 per annum. On 31 December 2021 he assumed the position of Non-Executive Chairman and was remunerated \$82,500 per annum from that time. He also received a fee for the provision of company secretarial services.

(iii) John Palermo was a Non-Executive Director for the year.

(iv) John McGlue left the Company on 31 December 2021 and was remunerated \$165,000 per annum until that time.

(v) Ben Norrish was appointed as Chief Operating Officer on 4 March 2022 and was remunerated \$230,000 plus superannuation per annum from that time.

### Options Granted as Part of Remuneration September 2022

On 25 March 2022 Ben Norrish was issued 5,000,000 options and Mark Clements was issued 6,000,000 options following shareholder approval at the Annual General Meeting held on 28 February 2022. The terms of the options are detailed in Note 19.

## DIRECTORS' REPORT (continued)

### Shares Issued to Key Management Personnel for the year ended 30 September 2022

No shares were issued to Directors and Executives as part of the short-term incentive scheme during the year ended 30 September 2022.

### Option Holdings of Key Management Personnel for the year ended 30 September 2022

	Balance at beginning of reporting period	Granted as remuneration	Options exercised	Net change other	Balance at end of reporting period	Vested as at end of reporting period	
						Exercisable	Not exercisable
<b>Directors</b>							
Mark Clements	-	6,000,000	-	-	6,000,000	-	6,000,000
John Palermo	6,000,000	-	-	-	6,000,000	-	6,000,000
Ben Norrish	-	5,000,000	-	-	5,000,000	-	5,000,000
John McGlue <sup>(i)</sup>	6,000,000	-	-	(6,000,000)	-	-	-
<b>Total</b>	<b>12,000,000</b>	<b>11,000,000</b>	<b>-</b>	<b>(6,000,000)</b>	<b>17,000,000</b>	<b>-</b>	<b>17,000,000</b>

(i) Net change amounts to options held at time of resignation and or disposed.

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted in 4 separate tranches	Grant date	Exercisable date	Expiry date	Exercise price	Fair value per option at grant date of each tranche
John Palermo	2,000,000	29 January 2021	Before 9 December 2023 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 15 February 2021 are achieved	9 December 2023	\$0.04	\$0.0210
	2,000,000					\$0.0177
	1,000,000					\$0.0139
	1,000,000					\$0.0110
Mark Clements	2,000,000	25 March 2022	Before 9 December 2023 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 25 March 2022 are achieved	9 December 2023	\$0.05	\$0.00444
	2,000,000					\$0.00376
	1,000,000					\$0.00238
	1,000,000					\$0.00139
Ben Norrish	750,000	25 March 2022	Before 25 March 2027 upon the achievement of the vesting conditions outlined in the Appendix 3G announcement released to the ASX on 25 March 2022 are achieved	25 March 2027	\$0.05	\$0.0105
	750,000					\$0.0079
	1,000,000					\$0.0059
	750,000					\$0.0109
	750,000					\$0.0081
	1,000,000					\$0.0060
John McGlue	2,000,000	6 January 2020	Before 9 December 2023 upon the achievement of the vesting conditions outlined in the Appendix 3B announcement released to the ASX on 31 December 2019 are achieved	9 December 2023	\$0.04	\$0.0547
	2,000,000					\$0.0399
	1,000,000					\$0.0295
	1,000,000					\$0.0023

Options granted carry no dividend or voting rights. The expense for the year is disclosed in Note 19.

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Link between Performance on and Shareholder Wealth'. Options vest based on the provision of service over the vesting period whereby the director becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

## DIRECTORS' REPORT (continued)

### Shareholdings of Key Management Personnel for the year ended 30 September 2022

	Balance at beginning of reporting period	Granted as remuneration	On exercise of options	Net change other	Balance at end of reporting period
<b>Directors</b>					
Mark Clements <sup>(i)</sup>	600,000	-	-	600,000	1,200,000
John Palermo <sup>(i)</sup>	960,000	-	-	960,000	1,920,000
Gregory Harvey <sup>(ii)</sup>	-	-	-	269,479,373	269,479,373
John McGlue <sup>(iii)</sup>	6,015,806	-	-	(6,015,806)	-
<b>Executives</b>					
Ben Norrish <sup>(i)</sup>	-	-	-	250,000	250,000
<b>Total</b>	<b>7,575,806</b>	<b>-</b>	<b>-</b>	<b>265,273,567</b>	<b>272,849,373</b>

(i) Shares were acquired by Directors / Executives or their related entities both on market and upon participation in the Company's placement and entitlements offer which completed in July 2022.

(ii) Net change amounts related to shares acquired by a related party.

(iii) Net change amounts to shares held at time of resignation and or disposed.

### Performance Rights of Key Management Personnel for the year ended 30 September 2022

There were no performance rights carried forward or issued in the year to Key Management Personnel.

### Loans to Key Management Personnel for the year ended 30 September 2022

There were no loans carried forward or issued in the year to Key Management Personnel.

### Other Transactions with Key Management Personnel

The following table provides the total amount of transactions that were entered into with key management personnel for the relevant financial period:

Related party	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
	\$	\$	\$	\$
<b>12 months ended 30 September 2023</b>				
Gratia Australia Pty Ltd <sup>(i)</sup>	-	199,650	-	-
Happy Felix Manjimup Pty Ltd <sup>(ii)</sup>	-	-	-	-
Balion Pty Ltd <sup>(iii)</sup>	-	48,000	-	-
<b>12 months ended 30 September 2022</b>				
Gratia Australia Pty Ltd <sup>(i)</sup>	-	159,309	-	-
Happy Felix Manjimup Pty Ltd <sup>(ii)</sup>	-	7,465	-	-
Balion Pty Ltd <sup>(iii)</sup>	-	48,000	-	-

(i) Gratia Australia Pty Ltd is a company controlled by a related party of John Palermo. Gratia Australia Pty Ltd provided accounting services to Alterra. The fees are regarded as commercial.

(ii) Happy Felix Manjimup Pty Ltd is a company controlled by John Palermo. The Company leased on a month-to-month basis office space in Manjimup owned by Happy Felix Pty Ltd. The lease costs are commensurate with market rates and considered commercial. The lease ceased on 31 October 2022.

(iii) Balion Pty Ltd is a company controlled by Mark Clements. In addition to director services, Balion Pty Ltd provided company secretarial services for \$48,000 in the period. The fees are regarded as commercial.

### END OF REMUNERATION REPORT

## DIRECTORS' REPORT (continued)

### Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Number of Board meetings eligible to attend	Remuneration & Nomination Committee meetings attended	Audit & Risk Committee meetings attended	Number of meetings attended
Mark Clements	7	1	2	10
John Palermo	7	1	2	10
Gregory Harvey	7	-	-	7

### Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company, for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year ended 30 September 2023.

### Auditor Independence and Non-audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 20 and forms part of this directors' report for the year ended 30 September 2023.

### Non-audit Services

No non-audit services were provided by the external auditors during the year ended 30 September 2023.

Signed in accordance with a resolution of the directors.



**Mark Clements**  
**Non-Executive Chairman**

Perth, 29 November 2023

# CORPORATE GOVERNANCE STATEMENT

The Board of Alterra Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Alterra Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations as set out by the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).

The Company's Corporate Governance Policies for the year ended 30 September 2023 was reviewed and approved by the Board on 29 November 2023.

The Board is ultimately responsible for all matters relating to the running of the Company and is committed in demonstrating and achieving the highest standards of corporate governance.

Alterra Limited's corporate governance practices were in place throughout the year ended 30 September 2023 and were substantially compliant with the Council's recommendations.

A description of the Company's current corporate governance statement is available on the Company's website at [www.alterra.com.au](http://www.alterra.com.au).

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Alterra Limited for the year ended 30 September 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
29 November 2023



**D I Buckley**  
Partner

**hlb.com.au**

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	CONSOLIDATED	
		12 months ended 30 September 2023	12 months ended 30 September 2022
		\$	\$
Revenue	2	122,934	329,681
Other income	3	212,066	1,126,508
Gain/(Loss) on sale of property, plant and equipment	3	136	(7,677)
Operating expenses		(3,742)	(847,409)
Administrative expenses		(198,143)	(233,377)
Consultant and legal fees		(458,094)	(551,059)
Accounting, audit and tax fees		(243,071)	(202,097)
Marketing expenses		(14,798)	-
Business development expenses		(1,502)	(11,481)
Employee benefits expense		(1,129,157)	(795,592)
Occupancy expense		(19,464)	(54,716)
Financing expenses		(233,480)	(26,150)
Depreciation and amortisation	10,11	(222,717)	(129,369)
Share-based payments	18,19	(54,434)	(92,297)
<b>(Loss) before income tax expense</b>		<b>(2,243,466)</b>	<b>(1,495,035)</b>
Income tax expense	4	-	-
<b>(Loss) attributable to members of the parent entity</b>		<b>(2,243,466)</b>	<b>(1,495,035)</b>
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the year after tax</b>		-	-
<b>Total comprehensive (loss) attributable to members of the parent entity</b>		<b>(2,243,466)</b>	<b>(1,495,035)</b>
Basic and diluted (loss) per share (cents per share)	5	(0.32)	(0.36)
Basic and diluted (loss) per share (cents per share) from continuing operations	5	(0.32)	(0.36)

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	CONSOLIDATED	
		30 September 2023	30 September 2022
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	7	1,141,927	2,345,832
Trade and other receivables	8	48,362	1,213,213
Other assets	9	482,958	284,861
<b>Total Current Assets</b>		<b>1,673,247</b>	<b>3,843,906</b>
<b>Non-Current Assets</b>			
Intangible assets	10	93,259	101,125
Property, plant and equipment	11	14,725,730	10,139,043
Investment in associates	13	1,151,046	1,218,044
Rights-of-use-assets	14	12,156,722	12,613,006
Other assets	9	9,315	9,315
<b>Total Non-Current Assets</b>		<b>28,136,072</b>	<b>24,080,533</b>
<b>Total Assets</b>		<b>29,809,319</b>	<b>27,924,439</b>
<b>Current Liabilities</b>			
Trade and other payables	15	637,793	431,089
Lease liabilities	16	457,061	340,293
Other financial liabilities	17	188,753	160,906
<b>Total Current Liabilities</b>		<b>1,283,607</b>	<b>932,288</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	16	14,023,190	14,048,425
Borrowings	17	3,700,000	-
Other financial liabilities	17	459,532	410,329
<b>Total Non-Current Liabilities</b>		<b>18,182,722</b>	<b>14,458,754</b>
<b>Total Liabilities</b>		<b>19,466,329</b>	<b>15,391,042</b>
<b>Net Assets</b>		<b>10,342,990</b>	<b>12,533,397</b>
<b>Equity</b>			
Issued capital	18	19,725,096	19,715,471
Reserves	18	1,586,149	1,542,715
Accumulated losses		(10,968,255)	(8,724,789)
<b>Total Equity</b>		<b>10,342,990</b>	<b>12,533,397</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	CONSOLIDATED	
		Inflows /(Outflows)	Inflows /(Outflows)
		12 months ended 30 September 2023	12 months ended 30 September 2022
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers and government subsidies		1,032,632	522,745
Payments to suppliers and employees		(1,562,193)	(3,222,455)
Interest received		13,393	-
Interest paid		(231,381)	(20,950)
Net cash (used in) operating activities	23	(747,549)	(2,720,660)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(894,242)	(2,828,085)
Proceeds from the sale of plant and equipment		-	214
Payments for development assets		(2,931,932)	(2,502,630)
Dividends received		263,202	127,558
Net cash (used in) investing activities		(3,562,972)	(5,202,943)
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares (net of capital raising costs)		(1,375)	5,834,868
Receipt of loans from related parties		-	35
Bank loan drawdowns and borrowings	23	3,700,000	231,004
Debt service repayments held on deposit	17	(352,240)	-
Repayments of finance leases	23	(239,769)	(143,299)
Net cash provided by financing activities		3,106,616	5,922,608
Net (decrease) in cash and cash equivalents		(1,203,905)	(2,000,995)
Cash and cash equivalents at beginning of year		2,345,832	4,346,827
<b>Cash and cash equivalents at end of year</b>	7	1,141,927	2,345,832

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	CONSOLIDATED			
	Issued capital	Share-based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 October 2022	19,715,471	1,542,715	(8,724,789)	12,533,397
Loss attributable to members	-	-	(2,243,466)	(2,243,466)
<b>Total comprehensive loss for the year</b>	-	-	(2,243,466)	(2,243,466)
Share-based payments	-	54,434	-	54,434
Conversion of performance rights	11,000	(11,000)	-	-
Capital raising costs	(1,375)	-	-	(1,375)
<b>Balance at 30 September 2023</b>	<b>19,725,096</b>	<b>1,586,149</b>	<b>(10,968,255)</b>	<b>10,342,990</b>
Balance at 1 October 2021	13,947,477	1,476,093	(7,244,990)	8,178,580
Loss attributable to members	-	-	(1,495,035)	(1,495,035)
<b>Total comprehensive loss for the year</b>	-	-	<b>(1,495,035)</b>	<b>(1,495,035)</b>
Share-based payments	-	66,622	15,236	81,858
Shares issued during the year	5,845,868	-	-	5,845,868
Capital raising costs	(77,874)	-	-	(77,874)
<b>Balance at 30 September 2022</b>	<b>19,715,471</b>	<b>1,542,715</b>	<b>(8,724,789)</b>	<b>12,533,397</b>

The accompanying notes form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of Alterra Limited and its controlled entity (the "Group"). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial statements were authorised for issue on 29 November 2023 by the directors of the Company.

#### (a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report of Alterra Limited complies with Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Accounting policies have been consistently applied to all years presented, unless otherwise stated.

#### (b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Alterra Limited as at 30 September 2023 and the results of its controlled entity for the year then ended. A controlled entity is any entity over which Alterra Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Where controlled entities have entered / (left) the Group during the year, their operating results have been included / (excluded) from the date control was obtained / (ceased). A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

#### (c) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Income Tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The Company and its wholly owned Australian entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Alterra Limited.

#### (d) Bearer Plants

There is one main type of bearer plant held by Alterra Limited – tree plantations.

##### *Tree Plantations*

Bearer plants consisting of trees and seeds are measured on initial recognition at cost.

Cost comprises all production, acquisition and conversion costs. At the end of each period, bearer plant cost is evaluated based on the recoverable amount and current market pricing to determine whether any write down is appropriate. Recoverable amount is the higher of value in use and fair value less the cost of disposal. To the extent that any impairment arises, losses are recognised in the period they occur.

Bearer plants are included in capitalized work in progress and are transferred to Property, plant, and equipment at maturity. Bearer plants are depreciated once they are in the location and condition necessary to operate in the manner intended by management.

#### (e) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less any impairment losses.

#### (f) Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land is measured at cost, less any impairment losses recognised after the date of recognition.

Depreciation is calculated using the diminishing value method or straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - 7.5% to 37.5% diminishing value
- Leasehold improvements - 6.6% to 50% straight line
- Motor vehicles - 13% to 30% diminishing value
- Bearer plants - 3% to 5% straight line

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

##### (i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Property, Plant and Equipment (continued)

For land, plant and equipment, impairment losses are recognised in the statement of comprehensive income in the other expenses line item.

##### (ii) Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

#### (g) Cash and Cash Equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### (h) Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Financial Instruments (continued)

##### *Subsequent measurement of financial assets*

Financial assets are measured at amortised cost as the assets meet the following conditions (and are not designated as FVTPL):

- they are held with the objective to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial.

##### *Impairment of financial assets*

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is not dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

12-month expected credit losses are recognised for financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk while 'lifetime expected credit losses' are recognised for financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Leases

##### Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

##### Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. Lease options to extend are not recognised until either the option has been exercised or management have resolved to exercise the option.

#### (j) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 7 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### (k) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Impairment of Assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Company has performed impairment testing based on fair value less costs of disposal methodology for the Carpenters project and its cash generating unit. The company has utilised present value detailed income and expenditure modelling and feasibility modelling under varying scenarios to the underlying assumptions. No impairment is indicated.

#### (l) Functional and Presentation Currency

The functional currency of each of the companies in the Group is measured using the currency of the primary economic environment in which that company operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

##### Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

#### (m) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Revenue Recognition

- *Asset management fees* - Fees in relation to asset management are recognised over time as the Group satisfies the related performance obligation.
- *Interest revenue* is recognised as it accrues, taking into account the effective yield on the financial asset.
- *Lease income* - Lease income from investment properties is recognised on a straight-line basis over the lease term.

#### (o) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

#### (q) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

#### (r) Employee Leave Benefits

##### (i) *Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

##### (ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Share-based Payment Transactions

##### (i) Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). To provide these benefits, the Group currently has in place an Employee Share Option Plan (ESOP), which provides benefits to directors and senior executives. The ESOP was approved by shareholders at the Company's Annual General Meeting on 28 February 2018. The Company subsequently replaced its ESOP with a Long-Term Incentive Plan for employees approved at the last Annual General Meeting.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using an appropriate option pricing model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Alterra Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (t) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (u) Earnings per Share

Basic earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit / loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential Ordinary Shares; divided by the weighted average number of Ordinary Shares and dilutive potential Ordinary Shares, adjusted for any bonus element.

#### (v) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (w) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

##### (i) Share-based payment transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a valuation model, using the assumptions detailed in Note 19.

##### (ii) Carpenters Project under development

The Group has capitalised development costs in relation to its Carpenters Project as a capital works in progress asset not yet ready for use. These costs are assessed for indicators of impairment. They are considered to be property, plant and equipment in nature.

#### (x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive and other members of the Board. Reportable segments are consistent with operating segments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (y) Interest Bearing Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### (z) Parent Entity Financial Information

The financial information for the parent entity, Alterra Limited, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below.

##### (i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for on an equity accounting method in the financial statements of Alterra Limited. Dividends received from associates are deducted from the carrying amount of these investments, rather than recognised in the parent entity's profit or loss.

##### (ii) Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

#### (aa) Intangible Assets

##### *Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a systematic basis over their estimated useful lives which reflect the pattern in which the intangible asset's future economic benefits are expected to be consumed by the entity. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

##### *Internally generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

##### *Impairment assessments*

Irrespective of impairment indicators, management tests intangible assets not yet ready for use or with indefinite useful lives for impairment annually by comparing the asset's carrying amount with its recoverable amount, either individually or as part of the relevant cash generating unit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (ab) Adoption of new and revised standards

##### *Standards and Interpretations applicable to 30 September 2023:*

In the year ended 30 September 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. There is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

##### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 30 September 2023. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

#### (ac) Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group has incurred a loss for the year ending 30 September 2023 of \$2,243,466 (30 September 2022: loss on continuing activities of \$1,495,035) and net cash outflows from operating and investing activities of \$4,310,521 (30 September 2022: net cash outflows of \$7,923,603). At 30 September 2023, the group had \$1,141,967 of cash and cash equivalents.

The Company's development plan for Carpenters includes a proposed planting of Stage 4 dependent on a final investment decision subject to routine commercial considerations. The Company does have a need to complete a capital raising in the near term to ensure it has sufficient cash reserves to continue on a going concern basis even in the event further development does not proceed. Given the long dated nature of orchard yield and uncertain economic conditions there is material uncertainty as to whether the Company could continue as a going concern under the forecast development plan if funding was not available from capital and debt markets. The Board continues to monitor available capital and development plans accordingly given additional equity or debt funding if required based on projected cashflows.

The Directors believe that the going concern basis is appropriate for the following reasons;

- The Company intends to raise necessary funding via pro-rata entitlements issues in the coming 12 months. These are expected to be undertaken with firm participation commitments from the major shareholders of the Company as has been done previously.
- The Company is seeking to introduce a strategic investor at the asset level to assist with the ongoing cashflow requirements of the Carpenters Project and its future growth plans. The type of investor or investors that may wish to participate in a material investment at asset level are likely to prefer an unlisted structure, resulting in a significant reduction in corporate overheads associated with an Australian Stock Exchange Listing (ASX). As such the Company is considering the process of voluntary delisting from the ASX subject to ASX and shareholder approval.
- In addition, the Group's assets exceed its liabilities by \$10.3m
- As noted above, the Company has historically been successful in raising equity and subject to shareholder approval at the Company's annual general meeting, will have the ability under ASX Listing Rule 7.1 and 7.1A to place securities to raise equity if required in addition to the intended pro-rata entitlement issues;
- The Company successfully secured debt funding from NAB during the period;
- The Company has a 15% equity interest in CCIL which may realise a material cash inflow for the Company's in the event of a sale or it will continue to provide a source of dividend income.

The Directors believe that the above indicators demonstrate the Group will be able to pay its debts as and when they become due and payable and continue as a going concern. Should the Group not be successful in generating sufficient funds from the above initiatives there will exist a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might exist be necessary should it not continue as a going concern.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 2: REVENUE

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
<b>Revenue</b>		
Asset management fees	41,252	244,652
Interest received	13,393	-
Other income	68,289	85,029
	122,934	329,681

The Group derives its revenue from the provision of services at a point in time and over time in the following major categories. All revenues are derived in Australia. This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8, refer Note 6.

Other income represents performance guarantee income and recovery of costs incurred on behalf of CCIL.

	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
<b>Over time</b>		
Asset management fees	41,252	244,652
Interest received	13,393	-
Other income	68,289	85,029
<b>Total revenue</b>	122,934	329,681

Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

### NOTE 3: OTHER INCOME & EXPENSE

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
<b>Other Income</b>		
Research and Development Tax Incentive	-	907,229
Share of profit of associates	196,204	213,222
Other income	15,862	6,057
	212,066	1,126,508

Gain/(Loss) on sale of plant, property, and equipment	136	(7,677)
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Other income represents miscellaneous income including settlement of cash rebates and recoveries on service contracts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

## NOTE 4: INCOME TAX

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
<b>Current Tax liability</b>		
Current year	-	-
Effect of this year's timing differences	-	-
<b>Total current tax</b>	-	-
Income tax expense recognised in profit or loss	-	-
<b>Total income tax expense recognised in profit or loss</b>	-	-
<b>Numerical reconciliation between tax-expense and pre-tax net growth</b>		
Accounting (loss) before tax from continuing operations	(2,243,466)	(1,495,035)
Profit before tax from discontinued operations	-	-
Accounting (loss) before income tax	(2,243,466)	(1,495,035)
Income tax using the domestic tax rate of 25% (2022: 25%)	(560,866)	(373,759)
Non-assessable income	68,221	32,769
Non deductible expenses	248,106	110,110
Research and development expenditure recognised in the profit and loss	-	-
Other taxable amounts	21,933	10,630
Decline for value in depreciating assets	(763,735)	(280,225)
Section 40-880 deduction	(33,454)	(30,483)
Other income not included in assessable income	(49,085)	(268,648)
Other deductible expenses	(131,434)	(114,905)
Conversion of excess franking credits	(87,734)	(42,519)
Income tax expense	-	-
<b>Deferred Tax Asset reconciliation</b>		
Deferred tax loss	(1,288,048)	(957,031)
Opening carried forward deferred tax benefit (adjusted for change in tax rate)	(2,353,192)	(1,396,161)
Under estimation of loss in prior year	(815,207)	-
Closing carried forward deferred tax benefit	(4,456,447)	(2,353,192)
Unrecognised deferred tax asset	4,456,477	2,353,192
Carried forward tax losses	17,825,788	9,412,768
Income tax expense reported in the statement of comprehensive income	-	-
Income tax expense for discontinued operations	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 4: INCOME TAX (continued)

Alterra Limited and its wholly owned subsidiaries in Australia are a consolidated tax group as defined under the tax consolidation legislation. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Alterra Limited. All deferred tax balances relate to continuing operations within Australia.

There are no material deferred tax asset or liability amounts other than tax losses. The unrecognised deferred tax asset of \$4,456,477 on unused tax losses of \$17,825,788 is not recognised until it is plausible that future taxable profits will be available against which that asset can be utilised. Additionally, there has been no assessment performed over the availability of tax losses. As such, in order to utilise these losses the Group must satisfy either the continuity of ownership or similar business test.

### NOTE 5: EARNINGS PER SHARE

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	Cents per share	Cents per share
Basic and diluted (loss) / earnings per share	(0.32)	(0.36)
Basic and diluted (loss) per share (Continuing Operations)	(0.32)	(0.36)
The earnings and weighted average number of Ordinary Shares used in the calculation of basic earnings per share is as follows:		
Loss for the year	(2,243,466)	(1,495,035)
Loss for the year (Continued Operations)	(2,243,466)	(1,495,035)
	No.	No.
Weighted average number of Ordinary Shares outstanding during the year used in calculating basic EPS	696,097,753	410,606,541
Weighted average number of Ordinary Shares (diluted) outstanding during the year used in calculating diluted EPS	696,097,753	410,606,541

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 6: SEGMENT REPORTING

The segment reporting reflects the current operations as follows:

- Asset Management – relates to the management of operating assets including the contract to manage the demerged Carbon Business;
- Asset Development – relates to assets owned or being developed by the Company;
- Business Development – relates to the development of potential assets
- Corporate – relates to corporate activities.

Information regarding the results of each reportable segment is included below. Performance is measured on net profit / loss before taxation as detailed in the management reports presented to the Board of Directors.

#### Major Customers

The Group had nil (2022: one) customers to whom it provided goods and services where the revenue from this customer was in excess of 10% of the Group's revenue for the year ended 30 September 2023. During the year, services provided to CCIL ceased.

12 months ended 30 September 2023	Asset management	Asset development	Corporate	Consolidated
	\$	\$	\$	\$
<b>Revenue</b>				
Fees from external customers	41,252	-	81,682	122,934
<b>Total segment revenue</b>	41,252	-	81,682	122,934
<b>Other income</b>				
Gain on sale of equipment	-	-	136	136
Other revenues from external customers	-	-	212,066	212,066
<b>Total other segment income</b>	-	-	212,202	212,202
<b>Expenses</b>				
Direct Costs	10,000	-	-	10,000
Interest expense	-	-	233,481	233,481
Depreciation and amortisation	-	-	222,717	222,717
Other costs	-	-	2,112,404	2,112,404
<b>Total segment expenses</b>	10,000	-	2,568,602	2,578,602
<b>Net loss before tax</b>	31,252	-	2,274,718	2,243,466
Income tax expense	-	-	-	-
<b>Net loss after tax from continuing operations</b>	31,252	-	2,274,718	2,243,466

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 6: SEGMENT REPORTING (continued)

12 months ended 30 September 2023	Asset management	Asset development	Corporate	Consolidated
	\$	\$	\$	\$
<b>Segment assets</b>				
Current assets	-	58,994	1,614,253	1,673,247
Non-current assets	-	26,121,729	2,014,343	28,136,072
Total segment assets	-	26,180,723	3,628,596	29,809,319
<b>Segment liabilities</b>				
Current liabilities	-	896,384	387,223	1,283,607
Non-current liabilities	-	13,990,718	4,192,004	18,182,722
Total segment liabilities	-	14,887,102	4,579,227	19,466,329
<b>Net segment assets</b>	<b>-</b>	<b>11,293,621</b>	<b>(950,631)</b>	<b>10,342,990</b>
<b>Cash flow information</b>				
Net cash flow from operating activities	31,252	-	(778,801)	(747,549)
Net cash flow from investing activities	-	(2,931,932)	(631,040)	(3,562,972)
Net cash flow from financing activities	-	-	3,106,616	3,106,616
Intersegment transfers	-	2,931,932	(2,931,932)	-
Net increase/(decrease) in cash	31,252	-	(1,235,157)	(1,203,905)
Cash at beginning of year	234,531	-	2,111,301	2,345,832
<b>Cash at end of year</b>	<b>265,783</b>	<b>-</b>	<b>876,144</b>	<b>1,141,927</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 6: SEGMENT REPORTING (continued)

12 months ended 30 September 2022	Asset management	Asset development	Corporate	Consolidated
	\$	\$	\$	\$
<b>Revenue</b>				
Fees from external customers	329,861	-	-	329,861
<b>Total segment revenue</b>	329,861	-	-	329,861
<b>Other income</b>				
Other revenues from external customers	-	-	1,126,328	1,126,328
<b>Total other segment income</b>	329,861	-	1,126,328	1,456,189
<b>Expenses</b>				
Direct Costs	309,923	-	-	309,923
Interest expense	-	-	26,150	26,150
Depreciation and amortisation	-	-	129,369	129,369
Other costs	7,006	-	2,478,776	2,485,782
<b>Total segment expenses</b>	316,929	-	2,634,295	2,951,224
<b>Net loss before tax</b>	(48,269)	-	(1,446,766)	(1,495,035)
Income tax expense	-	-	-	-
<b>Net loss after tax from continuing operations</b>	(48,269)	-	(1,446,766)	(1,495,035)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 6: SEGMENT REPORTING (continued)

12 months ended 30 September 2022	Asset management	Asset development	Corporate	Consolidated
	\$	\$	\$	\$
<b>Segment assets</b>				
Current assets	-	406,301	3,437,605	3,843,906
Non-current assets	-	22,093,241	1,987,292	24,080,533
Total segment assets	-	22,499,542	5,424,897	27,924,439
<b>Segment liabilities</b>				
Current liabilities	-	542,039	390,249	932,288
Non-current liabilities	-	14,017,676	441,078	14,458,754
Total segment liabilities	-	14,559,715	831,327	15,391,042
<b>Net segment assets</b>	-	<b>7,939,827</b>	<b>4,593,570</b>	<b>12,533,397</b>
<b>Cash flow information</b>				
Net cash flow from operating activities	131,709	-	(2,852,369)	(2,720,660)
Net cash flow from investing activities	-	(4,333,381)	(869,562)	(5,202,943)
Net cash flow from financing activities	-	-	5,922,608	5,922,608
Intersegment transfers	-	4,333,381	(4,333,381)	-
Net increase/(decrease) in cash	131,709	-	(2,132,704)	(2,000,995)
Cash at beginning of year	102,822	-	4,244,005	4,346,827
<b>Cash at end of year</b>	<b>234,531</b>	<b>-</b>	<b>2,111,301</b>	<b>2,345,832</b>

NOTE 7: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Cash at bank and on hand	1,141,927	2,345,832

At the reporting date \$352,240 (2022: Nil) is restricted use cash and represents 12 months of interest on NAB borrowings of \$3.7m. This is classified as other assets at note 10.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer Note 17.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 8: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
<b>Current</b>		
Accrued income	-	907,229
GST receivable	48,362	305,984
	48,362	1,213,213

At the 30 September, the ageing analysis of trade and other receivables is as follows:

0 – 30 days	48,362	305,984
31 – 60 days	-	907,229
Total	48,362	1,213,213

There are no expected credit losses.

### NOTE 9: OTHER ASSETS

	CONSOLIDATED	
	30 September 2023	30 September 2022
<b>Current</b>	\$	\$
Debt Service payments held on deposit	352,240	-
Unsecured loans to third parties	-	110,442
Prepayments	130,718	174,419
	482,958	284,861
<b>Non – Current</b>		
Other	9,315	9,315
	9,315	9,315

Unsecured loans to third parties relate to costs incurred under the terms of the Carpenters Project lease agreement. There is uncertainty about the recoverability of this loan and it was therefore impaired fully during the period and accordingly the costs were capitalised to Carpenters Work in Progress (notes 11 and 12).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

## NOTE 10: INTANGIBLE ASSETS

	CONSOLIDATED
	Avocado genetics and data asset
	\$
<b>Cost</b>	
Balance at 1 October 2021	90,000
Original cost	28,000
Impairment of intangible	-
<b>Balance at 30 September 2022</b>	<b>118,000</b>
Balance at 1 October 2022	118,000
Original cost	-
Impairment of intangible	-
<b>Balance at 30 September 2023</b>	<b>118,000</b>
<b>Accumulated amortisation and impairment losses</b>	
Balance at 1 October 2021	10,389
Amortisation for the period	6,486
Impairment of intangible	-
<b>Balance at 30 September 2022</b>	<b>16,875</b>
Balance at 1 October 2022	16,875
Amortisation for the period	7,866
Impairment of intangible	-
<b>Balance at 30 September 2023</b>	<b>24,741</b>
<b>Carrying amounts</b>	
At 30 September 2022	<b>101,125</b>
At 30 September 2023	<b>93,259</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

## NOTE 11: PROPERTY, PLANT AND EQUIPMENT

		Capitalised Work in Progress (Property)	Plant & equipment	Motor vehicles	Total
	Note	\$	\$	\$	\$
<b>12 months ended 30 September 2023</b>					
Cost		5,443,525	4,474,564	507,015	10,425,104
Accumulated depreciation		-	(179,802)	(106,259)	(286,061)
As at 1 Oct 2022, net of accumulated depreciation		5,443,525	4,294,762	400,756	10,139,043
Additions		3,590,613	1,211,061	-	4,801,674
Disposals		-	(136)	-	(136)
Capitalised depreciation		42,770	(42,770)	-	-
Depreciation charge for the year		-	(124,681)	(90,170)	(214,851)
At 30 Sept 2023 net of accumulated depreciation	12	9,076,908	5,338,236	310,586	14,725,730
<b>12 months ended 30 September 2022</b>					
Cost		2,471,363	1,568,148	122,658	4,162,169
Accumulated depreciation		-	(196,117)	(47,607)	(243,724)
As at 1 Oct 2021, net of accumulated depreciation		2,471,363	1,372,031	75,051	3,918,445
Additions		2,972,162	2,993,448	384,357	6,349,967
Disposals		-	-	-	-
Depreciation charge for the year		-	(70,717)	(58,652)	(129,369)
At 30 Sept 2022 net of accumulated depreciation	12	5,443,525	4,294,762	400,756	10,139,043
<b>At 30 September 2023</b>					
Cost		9,076,908	5,685,489	507,015	15,269,412
Accumulated depreciation		-	(347,253)	(196,429)	(543,682)
Net carrying amount		9,076,908	5,338,236	310,586	14,725,730
<b>At 30 September 2022</b>					
Cost		5,443,525	4,474,564	507,015	10,425,104
Accumulated depreciation		-	(179,802)	(106,259)	(286,061)
Net carrying amount		5,443,525	4,294,762	400,756	10,139,043

The written down value of assets used to secure hire purchase loans is \$697,451.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 12: CARPENTERS PROJECT UNDER DEVELOPMENT

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Carpenters Beedelup Pty Ltd – Capitalised work in progress	9,076,908	5,443,525
	9,076,908	5,443,525

The capitalised work in progress (property) of \$9,076,908 (2022: \$5,443,525) relate solely to expenditures incurred by Alterra's wholly owned subsidiary, Carpenters Beedelup Pty Ltd, on the development of the Company's Carpenters Project in Beedelup. These expenditures include various tangible and intangible items (including capitalised bearer plants) required to be invested to support Stage 1, Stage 2, and Stage 3 development and planting of avocado trees. Costs continue to be capitalised in respect of the development of the site as the crop is considered early stage and cannot yet be fair valued.

The Project has been assessed for impairment utilising assumptions that include sensitivities. Based on this assessment, no impairment is required.

### NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Investments in associate	1,151,046	1,218,044
	1,151,046	1,218,044

#### Investment Associate

Details of the Group's material associate at the end of the reporting period is as follows:

	Principal activity	Country of incorporation	Ownership interest		Equity accounted value	
			2023	2022	2023	2022
			%	%	\$	\$
Carbon Conscious Investments Ltd	Management of agri-forestry estates for carbon sequestration on behalf of clients	Australia	15	15	1,151,046	1,218,044

The Group has determined that it has significant influence over CCIL as it holds 15% of the voting power; and Alterra Limited having a contractual obligation to provide a performance guarantee to a CCIL customer. In addition, Greg Harvey is a director of both the Company and CCIL.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

#### Summarised financial information

##### Statement of comprehensive income

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Revenue	3,162,807	4,197,136
Profit for the period	1,308,027	1,421,479
Other comprehensive income for the period	-	-
Total comprehensive income	1,308,027	1,421,479
Dividends received during the period	263,202	127,558

##### Statement of financial position

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Current assets	2,664,189	3,138,609
Non-current assets	2,138,809	2,269,961
Total assets	4,802,998	5,408,570
Current liabilities	290,420	441,231
Non-current liabilities	353,206	363,893
Total liabilities	643,626	805,124
Net assets	4,159,372	4,603,446

##### Reconciliation of summarised financial information to the carrying amount of the interest in associate

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Net assets of the associate	4,159,372	4,603,446
Proportion of the Group's ownership interest in associate	623,906	690,517
Notional goodwill	527,140	527,527
Carrying value of the Group's interest in associate	1,151,046	1,218,044

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 14: RIGHT OF USE ASSETS

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
Vehicles – right of use	72,098	72,098
Less: accumulated depreciation	(23,257)	(9,303)
Land – Carpenters Beedelup – right of use	13,707,035	13,691,138
Less: accumulated depreciation	(1,599,154)	(1,140,927)
	12,156,722	12,613,006

The Group leases land and buildings for its offices and leases a motor vehicle under a lease between three to five years. The Group also has a lease for land at Beedelup for a period of 30 years with two additional 10-year options to extend. The terms of the Carpenters lease include provision for additional lease payments as further land is developed and/or utilised. Depreciation of the right of use asset in relation to the Carpenters lease has been capitalised during the year, refer note 12.

### NOTE 15: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	30 September 2023	30 September 2022
<b>Current</b>	\$	\$
Trade payables	521,916	308,865
Employee benefits accrual	28,526	46,795
Sundry payables and accrued expenses	87,351	75,429
	637,793	431,089

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Information regarding the effective interest rate and credit risk of current payables is set out in Note 22.

### NOTE 16: LEASE LIABILITIES

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
<b>Current</b>		
Lease liability	457,061	340,293
	457,061	340,293
<b>Non-Current</b>		
Lease liability	14,023,190	14,048,425
	14,023,190	14,048,425

The terms of the Carpenters lease include provision for additional lease payments as further land is developed and/or utilised. See Note 14. Refer to Note 22 for further information on financial instruments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 17: FINANCIAL LIABILITIES

#### BORROWINGS

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
<b>Non-Current</b>		
Secured bank debt	3,700,000	-
	3,700,000	-

During the period, the Company entered into a secured debt facility (“the Facility”) for up to \$3.7M with National Australia Bank Limited (NAB), to further advance the development of the Carpenters Project. Funds available under the Facility have supported the delivery of Stage 3 of the Carpenters Project and the commencement of planning for Stage 4, for which preparation work is already underway.

The Facility is repayable on an interest only basis for an initial two-year term, maturing in February 2025 at an interest rate of 9.52% per annum, with the possibility of extension. NAB has a first ranking security over the assets of the Company, a mortgage over the Carpenters Project lease and right-of-entry over leasehold premises from which the Carpenters Project operates. A Debt Service Reserve Account has also been established to hold a minimum of 12 months interest/fee expense, being \$352,240 restricted cash. The Facility has a financial covenant based upon a maximum 30% debt/equity ratio and is subject to annual reporting obligations.

The liability has been classified as non-current as the Company has complied with all conditions to provide it with the right to defer settlement beyond 12 months.

#### OTHER FINANCIAL LIABILITIES

	CONSOLIDATED	
	30 September 2023	30 September 2022
	\$	\$
<b>Current</b>		
Hire purchase loans	188,753	160,906
	188,753	160,906
<b>Non-Current</b>		
Hire purchase loans	459,532	410,329
	459,532	410,329

Hire purchase loans relate to finance over plant and equipment that is not a lease liability. These liabilities hold a secured charge over equipment that has a written down value of \$697,452. Maturity is between 3 and 5 years with interest rates between 0.9% and 4.5%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 18: ISSUED CAPITAL AND RESERVES

	CONSOLIDATED			
			30 September 2023	30 September 2022
			\$	\$
<b>Issued capital</b>				
696,552,548 (30 September 2022: 695,552,548) fully paid Ordinary Shares			19,725,096	19,715,471
	12 months ended 30 September 2023	12 months ended 30 September 2023	12 months ended 30 September 2022	12 months ended 30 September 2022
Movement in Ordinary Shares on issue	No.	\$	No.	\$
At beginning of the financial year	695,552,548	19,715,471	277,776,274	13,947,477
Placement of shares	-	-	416,776,274	5,834,868
Conversion of performance rights	1,000,000	11,000	1,000,000	11,000
Less capital raising costs	-	(1,375)	-	(77,874)
At 30 September	696,552,548	19,725,096	695,552,548	19,715,471

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

Reserves	12 months ended 30 September 2023	12 months ended 30 September 2022
<i>Share-based payment reserve</i>		
At beginning of financial year	1,542,715	1,476,093
Conversion of performance rights	(11,000)	-
Share based payments – reversed	(22,820)	(20,700)
Share based payments - expensed	77,254	87,322
At end of financial year	1,586,149	1,542,715
<b>Total</b>	1,586,149	1,542,715

#### Share based payment reserve

This reserve is used to record the value of equity benefits provided to directors and key executives as part of their remuneration and to related parties in consideration for the establishment and ongoing promotion of the Group's activities. Details of all options on issue by the Company are disclosed in Note 19.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 19: SHARE BASED PAYMENTS

The following table illustrates the number (No.) and weighted average exercise prices of, and movements in, share options issued during the year:

		12 months ended 30 September 2023		12 months ended 30 September 2022
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at the beginning of the reporting period	29,000,000	\$0.050	18,000,000	\$0.040
Granted during the reporting period	-	-	11,000,000	\$0.070
Exercised during the reporting period	-	-	-	-
Expired during the reporting period	(9,000,000)	\$0.070	-	-
Cancelled during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	20,000,000	\$0.040	29,000,000	\$0.050
Exercisable at the end of the reporting	20,000,000	\$0.040	29,000,000	\$0.050

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 0.19 years (30 September 2021: 1.67 years).

The outstanding balance as at 30 September 2023 is represented by:

- 14,000,000 options over Ordinary Shares with an exercise price of \$0.04 each, expiring on 9 December 2023
- 6,000,000 options over Ordinary Shares with an exercise price of \$0.05 each, expiring on 9 December 2023

The fair value of the equity-settled share options granted is estimated as at the date of grant using an option pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used:

	Tranche 1a	Tranche 2a	Tranche 3a	Tranche 4a	Tranche 1b	Tranche 2b	Tranche 3b	Tranche 4b	Tranche 5b	Tranche 6b
No of options	2,000,000	2,000,000	1,000,000	1,000,000	750,000	750,000	1,000,000	750,000	750,000	1,000,000
Spot Price	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.027
Exercise price	\$0.050	\$0.050	\$0.050	\$0.050	\$0.050	\$0.080	\$0.120	\$0.050	\$0.080	\$0.120
Parisian Barrier Price	\$0.045	\$0.091	\$0.136	\$0.182	-	-	-	-	-	-
Expiry date	9 Dec 23	9 Dec 23	9 Dec 23	9 Dec 23	25 Mar 27					
Expected future volatility	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Risk free rate	1.75%	1.75%	1.75%	1.75%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
Fair value	\$0.0044	\$0.0038	\$0.0024	\$0.0014	\$0.0105	\$0.0079	\$0.0059	\$0.0109	\$0.0081	\$0.0060

The vesting conditions relate to the Employee long term incentive Plan (refer to ASX announcement on 29 December 2020). Significant terms include market capitalisation requirement and employment conditions.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value. The weighted average fair value of options was \$0.04 (30 September 2022: \$0.05).

The following illustrates the number and valuation of the Performance Rights on issue at balance dates (issued in prior years), including the following milestones attached to them:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 19: SHARE BASED PAYMENTS (continued)

	Class 1	Class A	Class B	Class C	Class D	Class E	Class F	Total
Performance Rights								
Movement in Performance Rights								
At beginning of the period	1,000,000	2,250,000	2,250,000	3,000,000	3,000,000	6,500,000	2,000,000	20,000,000
Granted during the period	-	-	-	-	-	-	-	-
Exercised over the period	(1,000,000)	-	-	-	-	-	-	(1,000,000)
Expired during the period	-	(2,250,000)	(2,250,000)	(3,000,000)	(3,000,000)	-	-	(10,500,000)
Cancelled during the period	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	6,500,000	2,000,000	8,500,000

- **Performance Rights:** 2,000,000 to vest upon execution of a binding term sheet for the development or purchase of a minimum of 200 hectares of crops at the Carpenters Project (**Vesting condition**).
- **Class A Performance Rights:** 2,250,000 to vest on the date that the 30-day VWAP for the Shares on the ASX is \$0.08 or higher during the period to the 12 months ending on 30 September 2020 (**Milestone 1**);
- **Class B Performance Rights:** 2,250,000 to vest on the date that the 30-day VWAP for the Shares on the ASX is \$0.12 or higher during the period to the 12 months ending on 30 September 2021 (**Milestone 2**); and
- **Class C Performance Rights:** 3,000,000 to vest on the date that the 30-day VWAP for the Shares on the ASX is \$0.16 or higher during the period to the 12 months ending on 30 September 2022 (**Milestone 3**);
- **Class D Performance Rights:** 3,000,000 to vest on the date that the 30-day VWAP for the Shares on the ASX is \$0.20 or higher during the period to the 12 months ending on 30 September 2023 (**Milestone 4**);
- **Class E Performance Rights:** 6,500,000 to vest on the date that the 30-day VWAP for the Shares on the ASX is \$0.30 or higher during the period to the 12 months ending on 30 September 2024 (**Milestone 5**);
- **Class F Performance Rights:** 2,000,000 to vest upon execution of a binding term sheet for the development or purchase of a minimum of 50 hectares (**Condition 1 relating to 1,000,000 performance rights**) and 200 hectares (**Condition 2 relating to 1,000,000 performance rights**) of crops at the Carpenters Project.

Note, if milestones 1, 2 and 3 are not met, but during the period to the 12 months ending on 30 September 2023 the milestones 1,2,3 and 4 are met cumulatively, then subject to continued employment with the Company, the milestones for Classes A, B, C and D will be deemed to have been met.

### NOTE 20: CONTROLLED ENTITIES

Subsidiaries of Alterra Limited			
Name	Country of incorporation	Ownership interest	
		12 months ended 30 September 2023	12 months ended September 2022
Carpenters Beedelup Pty Ltd	Australia	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 21: AUDITOR'S REMUNERATION

The auditor of Alterra Limited is HLB Mann Judd.

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	65,336	50,512

### NOTE 22: FINANCIAL INSTRUMENTS

#### (i) Capital Risk Management

The Group's activities may expose it to a variety of risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group's overall strategy remains unchanged from 30 September 2020.

#### (ii) Categories of Financial Instruments

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
Financial assets		
Trade and other receivables	48,362	1,213,213
Investments	1,151,046	1,218,044
Loans receivable	-	110,442
Cash and cash equivalents	1,141,927	2,345,832
Total financial assets	2,341,335	4,887,531
Financial liabilities		
Trade and other payables	637,793	431,089
Lease liabilities	14,480,251	14,388,718
Borrowings	3,700,000	-
Other financial liabilities	648,285	571,235
Total financial liabilities	19,466,329	15,391,042
Net financial liabilities	(17,124,994)	(10,503,511)

During the financial year, no loans or receivables were revalued through profit or loss.

#### (iii) Market Risk

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 22: FINANCIAL INSTRUMENTS (continued)

#### (iv) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparty is a bank with a high credit rating assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

#### (v) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### (vi) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturity for its financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
<b>12 months ended 30 September 2023</b>		\$	\$	\$	\$	\$
Non-interest bearing		637,793	-	-	-	-
Borrowings	8.52%	-	78,810	315,240	3,778,810	-
Other financial liabilities	5.72%	22,203	44,406	199,826	381,849	-
Lease liabilities	2.96%	1,138	2,276	450,245	2,230,872	19,163,800
<b>12 months ended 30 September 2022</b>		\$	\$	\$	\$	\$
Non-interest bearing		431,089	-	-	-	-
Other financial liabilities	2.98%	12,022	24,045	104,773	266,657	-
Lease liabilities	2.96%	1,138	139,776	201,492	938,550	20,826,300

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 22: FINANCIAL INSTRUMENTS (continued)

#### (vii) Fair Value of Financial Instruments

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities (excluding derivative financial instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- The fair value of financial assets and financial liabilities not recognised at fair value on a recurring basis approximates their carrying amounts at balance date.

#### (viii) Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- Net result before tax would decrease by \$16,032 (30 September 2022: decrease by \$5,924) or increase by \$16,032 (30 September 2022: increase by \$5,924). This is attributable to the Group's exposure to interest rates on its variable rate instruments.
- Total equity would have no change (30 September 2022: no change) attributable to the Company's exposure to interest rates on its variable rate instruments.

### NOTE 23: CASH FLOW INFORMATION

#### Reconciliation of Loss for the year to net cash flows from operating activities

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
Loss for the year	(2,243,466)	(1,495,035)
Share in profit of associates	(196,204)	(213,222)
Gain on sale of fixed assets	136	(2,126)
Depreciation and amortisation	222,717	129,369
Share-based payments	54,434	92,297
(Increase)/Decrease in receivables	1,164,851	(935,662)
(Increase)/Decrease in prepayments	43,701	(86,123)
(Increase) in other assets	-	(606)
Increase/(Decrease) in trade and other payables	224,551	(190,816)
(Decrease) in provisions	(18,269)	(18,736)
Net cash (used in) operating activities	(747,549)	(2,720,660)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 23: CASH FLOW INFORMATION (continued)

#### Reconciliation of liabilities to financing cashflows

	12 months ended 30 September 2023	12 months ended 30 September 2023	12 months ended 30 September 2022	12 months ended 30 September 2022
	Leases	Borrowings and other financial liabilities	Leases	Borrowings and other financial liabilities
Opening balance	14,388,718	571,235	14,065,414	-
Borrowings drawn	-	3,700,000	-	231,004
Repayments	-	(239,769)	-	(143,299)
Lease payments – payments for development assets	(337,500)	-	(275,000)	-
Interest paid	-	(231,381)	-	(20,950)
Non cash movements	429,033	548,200	598,304	504,480
Closing balance	14,480,251	4,348,285	14,388,718	571,235

### NOTE 24: KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION

Refer to the Remuneration Report contained within the Directors' Report for details of remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 September 2023.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	CONSOLIDATED	
	12 months ended 30 September 2023	12 months ended 30 September 2022
	\$	\$
Short-term employment benefits	689,203	517,305
Post-employment benefits	40,063	19,084
Share-based payments	49,122	33,710
	778,388	570,099

### NOTE 25: COMMITMENTS

#### (a) Operating Commitments

Commitments for minimum lease payments are now recognised as a right of use asset and lease liability, see Note 14 and Note 16.

#### (b) Capital Commitments

The Company had no capital commitments at balance date that are not included as liabilities in the Statement of Financial Position (30 September 2022: \$200,688).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 26: PARENT ENTITY DISCLOSURES

	CONSOLIDATED	
	30 September 2023	30 September 2022
<b>Financial position</b>	\$	\$
Assets		
Current assets	12,871,571	11,261,482
Non-current assets	2,014,343	2,212,388
<b>Total assets</b>	<b>14,885,914</b>	<b>13,473,870</b>
Liabilities		
Current liabilities	350,921	499,395
Non-current liabilities	4,192,003	441,078
<b>Total liabilities</b>	<b>4,542,924</b>	<b>940,473</b>
Equity		
Issued capital	19,725,471	19,715,471
Accumulated losses	(10,968,630)	(8,724,789)
Reserves	1,586,149	1,542,715
<b>Total equity</b>	<b>10,342,990</b>	<b>12,533,397</b>
<b>Financial performance</b>		
Loss for the year	(2,243,841)	(1,495,035)
<b>Total comprehensive loss</b>	<b>(2,243,841)</b>	<b>(1,495,035)</b>

Refer to Note 25 for commitments of the parent entity which are the same as the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## FOR THE YEAR ENDED 30 SEPTEMBER 2023

### NOTE 27: RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period:

Related party	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
	\$	\$	\$	\$
<b>12 months ended 30 September 2023</b>				
Gratia Australia Pty Ltd <sup>(i)</sup>	-	199,650	-	-
Happy Felix Manjimup Pty Ltd <sup>(ii)</sup>	-	-	-	-
Balion Pty Ltd <sup>(iii)</sup>	-	48,000	-	-
<b>12 months ended 30 September 2022</b>				
Gratia Australia Pty Ltd <sup>(i)</sup>	-	159,309	-	-
Happy Felix Manjimup Pty Ltd <sup>(ii)</sup>	-	7,465	-	-
Balion Pty Ltd <sup>(iii)</sup>	-	48,000	-	-

(i) Gratia Australia Pty Ltd is a company controlled by a related party of John Palermo. Gratia Australia Pty Ltd provided accounting services to Alterra. The fees are regarded as commercial.

(ii) Happy Felix Manjimup Pty Ltd is a company controlled by John Palermo. The Company leased on a month-to-month basis office space in Manjimup owned by Happy Felix Pty Ltd. The lease costs are commensurate with market rates and considered commercial. The lease ceased on 31 October 2022.

(iii) Balion Pty Ltd is a company controlled by Mark Clements. In addition to director services, Balion Pty Ltd provided company secretarial services for \$48,000 in the period. The fees are regarded as commercial.

### NOTE 28: CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 September 2023 (30 September 2022: \$Nil).

### NOTE 29: EVENTS AFTER BALANCE DATE

The following significant events occurred after the year ended 30 September 2023:

- On 30 September 2023, 10.5m performance rights expired

# DIRECTORS' DECLARATION

1. In the opinion of the Directors of Alterra Limited (the 'Company'):
  - (a) the accompanying financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Group's financial position as at 30 September 2023 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 September 2023.

This declaration is signed in accordance with a resolution of the Board of Directors.



**Mark Clements**  
**Non-Executive Chairman**

Dated this 29<sup>th</sup> day of November 2023

## INDEPENDENT AUDITOR'S REPORT

To the Members of Alterra Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Alterra Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 September 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 (ac) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p><b>Leases</b> Refer to notes 14 and 16</p> <p>The Group has continued to recognise right-of-use assets and lease liabilities in relation to its lease arrangements over office premises and Carpenters plantation site. The majority of the right-of-use asset and lease liability recorded relates to the long-term Carpenters lease.</p> <p>Accounting for leases is a key audit matter as the balances recorded are material and there are significant judgements involved in determining the appropriate lease payments necessary to be used in the calculation of the lease liability and right-of-use asset.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Reviewing existing lease contracts and ensuring any changes around judgements of future lease payments based on performance criteria have been appropriately captured;</li> <li>- Reviewing contracts entered during the year ended 30 September 2023 and where leases were identified, ensured they were brought to account;</li> <li>- Assessing the reasonableness of the assumptions and inputs included in the lease calculations;</li> <li>- Reviewing management’s calculations of the lease liability and right-to-use asset and ensuring they have been calculated accurately; and</li> <li>- Examining associated disclosures in the financial report.</li> </ul>
<p><b>Recoverability of Carpenters Project CGU (capitalised work in progress including bearer plants)</b> Refer to notes 11,12,14 and 16.</p> <p>An impairment assessment was conducted by management during the year in relation to the Carpenters Project CGU due to the existence of an impairment indicator under AASB 136 <i>Impairment of Assets</i>,</p> <p>The carrying value of the CGU as at 30 September 2023 was \$11,654,097 which included intangible assets, property, plant and equipment, including capital work in progress and bearer plants, right of use assets, lease and other liabilities. The impairment assessment was conducted under AASB 136 and AASB 13 and involved a comparison of the recoverable amount of the capitalised work in progress with the carrying value in the financial statements. Recoverable amount is based upon the higher of fair value less costs of disposal and value-in-use. The evaluation of the recoverable amount of the asset is considered a key audit matter as it was based upon a <i>fair value less costs to sell (income approach) (FVLC)</i> calculation which required significant judgement in verifying the key assumptions.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Critically evaluating management’s methodology in the FVLC model and the basis for key assumptions;</li> <li>- Performing sensitivity analyses over key inputs used in the cash flow forecasts that either individually or collectively would be required for assets to be impaired and considered the likelihood of such a movement in those key assumptions arising;</li> <li>- Reviewing the logic, formulas and internal consistency of the model.</li> <li>- Performing our own review of impairment indicators under AASB 136.</li> <li>- Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.</li> </ul>

*Information Other than the Financial Report and Auditor’s Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 September 2023, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 September 2023.

In our opinion, the Remuneration Report of Alterra Limited for the year ended 30 September 2023 complies with Section 300A of the *Corporations Act 2001*.

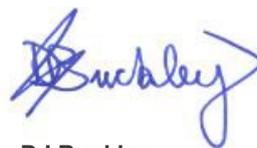
### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
29 November 2023



**D I Buckley**  
Partner

## ASX ADDITIONAL INFORMATION

### Shareholding

The distribution of members and their holdings of equity securities in the Company as at 24 November 2023 were as follows:

Number Held	Class of Equity Securities
	Fully Paid Ordinary Shares
1 - 1,000	6,686
1,001 - 5,000	247,384
5,001 - 10,000	606,783
10,001 - 100,000	13,025,552
100,001 and over	682,666,143
<b>Total</b>	<b>696,552,548</b>

As at 24 November 2023 there were 457 holders of less than a marketable parcel.

### Substantial Shareholders

The names of those shareholders that have lodged substantial shareholding notices with ASX as at 24 November 2023:

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Penagri Holdings Pty Ltd and Penagri Group Pty Ltd	265,434,100	38.74%
Sandon Capital Pty Ltd	173,467,616	24.90%
Emanuel Exports Pty Ltd and Daws & Son Pty Ltd	36,948,870	13.40%
One Fund Services Limited	67,603,950	9.72%

### Restricted Securities

The Company has no restricted securities on issue.

### Voting Rights – Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every Fully Paid Ordinary Share held.

## ASX ADDITIONAL INFORMATION

### Options

The number of options on issue as at 24 November 2023:

Class	Number of options	Number of holders
UNL OPT EXP 09/12/23 @ \$0.04 Tranche 1	4,000,000	2
UNL OPT EXP 09/12/23 @ \$0.04 Tranche 2	4,000,000	2
UNL OPT EXP 09/12/23 @ \$0.04 Tranche 3	3,000,000	3
UNL OPT EXP 09/12/23 @ \$0.04 Tranche 4	3,000,000	3
UNL OPT EXP 09/12/23 @ \$0.05	6,000,000	1
Performance Rights - Class E	6,500,000	2
Performance Rights - Class F	2,000,000	1

### On-Market Buy Back

There was no on-market buy back.

## TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest ordinary fully paid shareholders as at 24 November 2023 are as follows:

Rank	Name of Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Penagri Group Pty Ltd	192,857,143	27.69%
2	One Managed Invst Funds Ltd <Sandon Capital Inv Ltd A/C>	106,022,083	15.22%
3	Penagri Holdings Pty Ltd	76,622,230	11.00%
4	One Fund Services <Sandon Capital Activist A/C>	68,783,845	9.87%
5	Emanuel Exports Pty Ltd	67,588,429	9.70%
6	Treasure Island Hire Boat Company Pty Ltd <Staff Super Fund Account>	21,384,685	3.07%
7	Robert Nairn Pty Ltd	10,000,000	1.44%
8	Daws & Son Pty Ltd	9,120,000	1.31%
9	Mr John Charles Plummer	8,000,000	1.15%
10	Action Engineering Pty Ltd <Bennett Family A/C>	7,806,058	1.12%
11	Stoney Holdings Pty Ltd <Stoney Super Fund A/C>	6,137,383	0.88%
12	Stewart Investments WA Pty Ltd <Stewart Family A/C>	5,047,204	0.72%
13	Mr Anthony Irwin Fitzgerald	3,950,000	0.57%
14	Mr Gopal Shamji Hirani	3,865,826	0.56%
15	Mrs Gail Fitzgerald	3,110,873	0.45%
16	Merritt Family Super Pty Ltd <Merritt Family SF A/C>	3,015,741	0.43%
17	Mr Peter MacArthur Morrison & Mrs Annette Kay Morrison <The Morrison Super Fund>	3,000,000	0.43%
18	Vanelz Pty Ltd <Freedom Super Fund A/C>	3,000,000	0.43%
19	Mr Adrian Brendan Buck	2,777,777	0.40%
20	ILB 1943 Pty Ltd <Bennett Super Fund A/C>	2,067,504	0.30%
	<b>Total</b>	<b>604,156,781</b>	<b>86.74%</b>

Note: Shareholders are ranked equally in terms of number of ordinary fully paid shares held.