

# Quarterly Report for the Period Ended 31 March 2023

Alterra Limited (ASX: 1AG) (“**Alterra**” or “**the Company**”) is pleased to present the Quarterly Report and Appendix 4C for the period ended 31 March 2023 (“**Quarter**”).

## Operations

### Stage 3 Completion

During the Quarter the Company successfully completed Stage 3 of the Company’s 100% owned Carpenters Project in Western Australia’s south-west (**Carpenters**). Stage 3 involved the planting of 85ha of avocado trees and the installation of supporting irrigation and infrastructure. In total approximately 42,000 trees were planted in this stage, and Carpenters now has more than 50,000 trees in the ground covering ~100ha.

The significant planting program was managed by Chief Operating Officer, Ben Norrish who has extensive experience in large scale avocado orchard development, and executed by Duncan Wells, with a highly effective operational team supported by local contractors and suppliers to ensure that Stage 3 was delivered in full, on schedule.

The application of best horticultural practices to Stage 3 has been consistent with the previous two planted stages, Stage 1 (R&D trial site 5ha – planted 2020) and Stage 2 (7.5ha – planted 2021). Carpenters is now firmly on the path to building a sustainable agribusiness operation of scale. The key features of the Carpenters include;

- Responsible use of increasingly scarce arable land and water resources;
- Modern irrigation and fertilisation techniques applied by experienced management to allow for low cost of production;
- Management decisions are backed with data to ensure operations are sustainable for the life of the project; and,
- Infrastructure development has been taken with an environmentally sustainable view to ensure best in sector performance.



*The Stage 3 (85ha) was successfully completed during the Quarter with sorghum well established to provide wind protection for the newly planted trees*



## Stages 1 and 2

The overall tree health in Stage 1 (R&D trial site) is meeting expectations and exceptional growth has been shown in Stage 2 trees. Irrigation and fertigation application for the season to date has occurred as scheduled. Soil tests completed late in the Quarter have provided valuable data for planning the winter and spring fertiliser application with leaf samples to occur in the June Quarter, post summer flush.

## Dam Construction

Dam 1 construction by the landowner has advanced well with the current build height expected to allow sufficient holding capacity for in excess of 1GL of water (600ML Class A licence + 400ML latency), which meets Alterra's planned planting schedule. Work on Dam 1 has ceased for the year with the onset on the winter season with the landowner's focus now turning to land clearing in preparation for Stage 4 plantings.

The dam and associated infrastructure are critical components needed to support a final investment decision on future stages of Carpenters. As agreed with the Lessor, while construction of Dam 1 continues the Company has the ability to draw down additional water supply from the adjacent dam, which is also owned by the Lessor. This drawdown has commenced to irrigate the new Stage 3 trees.

## Safety

There were no reportable incidents during the Quarter (LTIFR – zero).

## Corporate

During the Quarter, the Company was pleased to advise that it had 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 finalisation of this funding arrangement is the culmination of a review of several debt funding options. The Company selected the NAB proposal as delivering superior value for shareholders. The Facility has been offered after the successful completion of due diligence by NAB.

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. The Facility has a financial covenant based upon a maximum 30% debt/equity ratio and is subject to annual reporting obligations.

Subsequent to Quarter end, Chief Operating Officer, Ben Norrish represented Alterra at The World Avocado Congress in New Zealand. The Congress is held every four years and is the premium event for the global avocado community. It provided a valuable opportunity for Alterra to access innovation, global knowledge and science to apply to the development of the Carpenters Project and an insight into trends in the global avocado industry.

In accordance with ASX Listing Rule 4.7C.3, the Company advises that payments made to related parties and their associates during the Quarter included director fees, salaries, superannuation and payments to director related parties for the provision of accounting and company secretarial services (\$139k).

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

**- ENDS -**

## Further information:

Mark Clements, Company Secretary

P: (+61) 08 9204 8400

E: [mclements@alterra.com.au](mailto:mclements@alterra.com.au)



### About Alterra Limited

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

Stage 2 (2021) (7ha) is complete following an initial Stage 1 (5ha) planting in 2020. The Company has optimised the development schedule for Carpenters and has recently completed planting Stage 3 (85ha).

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

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

Visit [alterra.com.au](https://alterra.com.au) for more information

Visit [alterra.com.au](https://alterra.com.au) for more information.

### Forward Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

## Appendix 4C

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

**Name of entity**

Alterra Limited

**ABN**

20129035221

**Quarter ended ("current quarter")**

31 March 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	188	271
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(139)	(264)
(c) advertising and marketing	-	-
(d) leased assets	(152)	(390)
(e) staff costs	(548)	(868)
(f) administration and corporate costs	(391)	(893)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	912
1.8 Other (GST refunds)	-	276
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,042)</b>	<b>(956)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(465)	(1,616)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	176
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(465)</b>	<b>(1,440)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	3,700	3,700
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(15)	(15)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,685</b>	<b>3,685</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,456	2,345
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,042)	(956)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(465)	(1,440)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,685	3,685
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,634</b>	<b>3,634</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,634	1,456
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,634</b>	<b>1,456</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (director related remuneration and salaries in accordance with employment and contractor agreements and approved by the remuneration committee)	139
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	3,700	3,700
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	3,700	3,700
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	NAB funding of \$3.7m secured against assets of the company and a mortgage and over the Carpenters Project lease with a right of entry to leasehold premises at Carpenters. The loan term is 2 years and matures in February 2025 with interest charged at 9.25% per annum.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,042)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,634
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,634
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## **Compliance statement**

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

**26 April 2023**

**Mark Clements**  
**Company Secretary**

## **Notes**

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