ASX CODE: 1AG
29 MAY 2020

ASX Announcement 408

Appendix 4D & Interim Financial Report for the Period ended 31 March 2020

Alterra Limited (ASX:1AG) ("Alterra" or "the Company") hereby enclosed Appendix 4D as required under ASX Listing Rule 4.2A.3 and a copy of the Half-Year Report for the activities of Alterra Limited for the period ended 31 March 2020.

Oliver Barnes
Managing Director

About Alterra Limited

Alterra is an originator, developer and manager of in-demand agricultural assets with a focus on 'land use change' opportunities in Australia. We seek to develop underutilised land and water into the next generation of agricultural assets capable of supplying premium whole foods. Alterra drives sustainable growth to leave a positive social, environmental and economic legacy to unlock investment-grade returns.

For investor enquiries, please contact:

Oliver Barnes, Managing Director
P: (+61) 08 9204 8400
E: obarnes@alterra.com.au

Details of Reporting Period

The reporting period is from 1 October 2019 through to 31 March 2020.

Results for Announcement to the Market

		Half-Year to March 2020 $'000	Half-Year to March 2019 $'000
Revenue from ordinary activities	Down 46%	558	1,025
Loss before income tax from continuing operations	Down 241 %	(818)	(240)
(Loss) / profit before income tax from discontinued operations	Down 100%	-	2,212
(Loss) / profit before income tax from all operations	Down 141%	(818)	1,972
(Loss) / profit after tax attributable to members	Down 140%	(818)	2,049
EBITDA	Down 134%	(745)	2,198
EBITDA from continuing operations	Down 5221%	(745)	(14)

Operational Highlights

- Alterra secured leading avocado and citrus grower Richard Eckersley as an execution partner.
- The Company secured an additional $2.5 million income stream (estimated to run through 2044) for its Dambadgee Springs property from the Yandin Wind Farm.
- Alterra continued to build its management team appointing experienced horticulturalist Paul Good as Regional Development Manager for South West WA in February, as well as bolstering its advisory board with the addition of seasoned corporate communications and capital markets specialist John McGlue.
- Post the reporting period, on 7 April Alterra confirmed that it had secured a 50-year lease for a 300 hectare avocado development project in Pemberton.

Dividends

No dividends have been paid or declared by Alterra Limited since the start of the financial period and the directors do not recommend the payment of a dividend in respect of the financial period.

Net Tangible Assets per Security

Net tangible assets per ordinary share is $0.04 as at 31 March 2020 (as at 31 March 2019 - $0.05).

Net assets per ordinary share is $0.04 as at 31 March 2020 (as at 31 March 2019 - $0.05).

Material Investments in Associates

The company has the following investments in associates:

	31 March 2020	31 March 2019
Carbon Conscious Investments Limited		
Carrying value of Group's interest in associate	$1,075,427	$1,063,449
Group's ownership interest in associate	15%	15%

The results should be read in conjunction with the Interim Financial reports for the period lodged with the ASX on 29 May 2020.

Oliver Barnes
Managing Director

Date: 29 May 2020

Alterra Limited

ABN 20 129 035 221

Interim Financial Report
For the Half-Year Ended 31 March 2020

CONTENTS

COMPANY DIRECTORY

ABN 20 129 035 221

Directors

MR TREVOR STONEY, NON-EXECUTIVE CHAIRMAN
MR OLIVER BARNES, MANAGING DIRECTOR
MR ANDREW MCBAIN, EXECUTIVE DIRECTOR
MR JOHN PALERMO, NON-EXECUTIVE DIRECTOR

Share Registry

AUTOMIC PTY LTD
LEVEL 2, 267 ST GEORGES TERRACE
PERTH WA 6000

Company Secretary

MR JOHN PALERMO

Solicitors

HWL EBSWORTH LAWYERS
LEVEL 20, 240 ST GEORGES
TERRACE
PERTH WA 6000

Principal & Registered Office

144 NORTHWOOD STREET
WEST LEEDERVILLE WA 6007
TELEPHONE: (08) 9204 8400

Bankers

BANKWEST
LEVEL 11D, 300 MURRAY STREET
PERTH WA 6000

Auditors

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

Securities Exchange Listing

AUSTRALIAN SECURITIES
EXCHANGE
(HOME EXCHANGE: PERTH, WA)
ASX CODE: 1AG

DIRECTORS' REPORT

Your Directors submit the interim financial report of Alterra Limited for the Half-Year ended 31 March 2020.

DIRECTORS

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

Mr Trevor Stoney	-	Non-Executive Chairman
Mr Oliver Barnes	-	Managing Director
Mr Andrew McBain	-	Executive Director
Mr John Palermo	-	Non-Executive Director

COMPANY SECRETARY

Mr John Palermo *(appointed 20 March 2020)*
Mr Anthony Fitzgerald *(resigned 20 March 2020)*

REVIEW OF OPERATIONS

The loss of the Company for the half-year after providing for income tax amounted to $818,115.

Half-Year Summary

Alterra has a track record of successfully executing large scale development projects with a focus on 'land use change' opportunities in Australia. Since demerging its carbon business in December 2018, Alterra has strengthened its team and focused its operations to address burgeoning demand for high-quality land and water assets in Western Australia.

As an originator, developer and manager of in-demand agricultural assets, Alterra has continued to further its asset management model with an emphasis on the avocado sector. The South West corner of Western Australia has been a strategic focus for the period where Alterra has secured access to genetics and data systems for avocado production as well as a strong pipeline of opportunity to develop profitable, sustainable, high-impact projects.

The Company has made good progress in each of its business streams with the following events occurring during the half-year.

Local Partner Agreements with Top South West Avocado Producers

Alterra has executed agreements with two local avocado producers with a proven history in production and execution within the South West region. Alterra is tapping into this horticultural expertise to help shape production and forecast modelling.

The Company secured exclusive access to genetics and data from avocado grower-packer-exporter French's Group. Alterra will be able to examine nearly 35 years' historical avocado production data that are specific to the production environment of the South West region of WA with access to a future 15 years of data.

In addition to the French's agreement, Alterra secured access to highly regarded and experienced Harvey avocado and citrus producer Richard Eckersley's data systems and local generational knowledge. Mr Eckersley holds industry roles in WA Citrus, the WA Regional Advisory Committee for Citrus Australia and previously the Harvey Agriculture College Advisory Committee for Horticulture.

These partnerships will assist Alterra to improve yields, tree architecture and disease resistance to deploy targeted management practices that optimise land, water and nutrient use efficiencies at its development projects. It will also provide local representation for Alterra, assisting with origination and assessment of investment opportunities, localised experience and technical support relevant to the production of avocados and citrus, as well as the provision of industry and market insights.

Alterra is utilising this expertise to establish best practices for its current and upcoming developments to optimise yields and fruit quality, with the objective of our projects to be a low-cost producer.

Strengthened Management Team

As part of Alterra's long-term plan to acquire in-house local generational knowledge and build a regional development team, Alterra appointed Paul Good as South West Regional Manager to oversee the daily operations and management of Alterra's South West assets, including the recently announced Carpenter's Project in Pemberton.

Mr Good has more than 12 years' experience in operations and business development management within the South West fruit industry with previous management positions at major WA apple producer-packer Newton Orchards.

To strengthen the Company's corporate management, Alterra appointed seasoned corporate communications and financial market specialist John McGlue to the advisory board. Mr McGlue is a trusted advisor on creating, enhancing and protecting shareholder value, and has advised on corporate transactions, complex disputes and capital markets positioning.

Unlocked Value from Dambadgee Springs

Alterra secured an additional $2.5 million income stream for Dambadgee Springs through a Property Rights Agreement with the Yandin Wind Farm project. Under the agreement, the wind farm has proceeded with the construction of wind turbines at the adjoining Dandaragan wind farm and in return will deliver Alterra annual payments with an absolute aggregate value of $2.5 million over 25 years.

In May 2020 the Company announced it has entered into contracts to sell 913-hecatres of the 1,640 hectare property to local farming interests for $3.1 million. The Company will now seek to enhance and unlock further value from the remaining land.

Additional Returns from Carbon Conscious

The Company continues to hold a 15 per cent equity stake and management rights in its demerged carbon business Carbon Conscious Investments Limited (CCIL). Within the first 12 months since its demerger in January 2019, CCIL has paid shareholder distributions totalling $1,042,000 (plus franking credits).

As per the published half-year financial results for the period ended 31 March 2020, CCIL declared a fully franked dividend of $0.00262 per share, with $455,000 distributed to CCIL shareholders on 15 May 2020 of which Alterra received $68,000.

The directors of CCIL have determined that subject to business as usual and consideration of the full year accounts for the year ending 30 September 2020, there will be a further cash distribution of $0.00338 per share, with $587,000 expected to be distributed to CCIL shareholders on or about 23 December 2020 of which Alterra expects to receive $88,000.

COVID-19 Operations Update

In light of COVID-19, Alterra has continued to operate effectively to build the Company's project pipeline. As the office is based in Western Australia, the team have begun returning to work as of 18 May 2020, in accordance with the State Government's Phase 2 easing of restrictions. We are maintaining strict social distancing with staff working from individual offices as well as maintaining suspension of all interstate and international travel. Intrastate travel within Western Australia is being limited to only essential business trips to ensure the development of existing projects remains unaffected.

The Company has staff based both in Perth and in regional Western Australia in close proximity to existing projects. Management are of the opinion that intrastate travel restrictions will not have an impact on operations.

If restrictions are once again increased, the Company is prepared to immediately reinstate remote working with a reduced team continuing to work from the office to ensure there is no disruption to daily operations.

Other Activities

In events subsequent to the reporting date Alterra secured, via a special purpose vehicle, up to 50-year lease for its first large-scale avocado development "Carpenters Project" located in the premium growing region of Pemberton Western Australia. This special purpose vehicle is initially 100% owned by the Company.

The Company entered into a strategic agreement with family office buy-side advisory firm CapRaise to access its extensive international network of pre-vetted large family offices that are actively seeking to diversify their existing investment portfolio into horticultural and agricultural land and water assets.

Alterra also entered into contracts to sell 913 hectares of its Dandaragan property "Dambadgee Springs", which is currently achieving a six per cent internal rate of return and 18 per cent return on investment. The partial sale of this non-core asset will enable Alterra to access additional working capital to advance development operations at the Company's projects in the South West region and retire some debt on the Dandaragan property.

For further details, see Note 20 in Notes to the Consolidated Financial Statement on page 31.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration for the period ended 31 March 2020 is set out on page 8.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

Oliver Barnes
Managing Director
Perth

Dated: 29 May 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated interim financial report of Alterra Limited for the half-year ended 31 March 2020, 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 review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**M R Ohm**
29 May 2020	**Partner**

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	Note	Half-Year to 31 March 2020	Half-Year to 31 March 2019
Continuing Operations		**$**	**$**
Revenue	2a	359,554	931,414
Other income	2a	198,877	94,348
Operating expenses		(62,676)	(116,571)
Administrative expenses		(175,824)	(213,130)
Marketing expenses		(26,275)	-
Asset development		(83,406)	-
Business development expenses		(221,349)	(213,172)
Employee benefits expense		(688,008)	(443,180)
Occupancy expenses		(22,199)	(29,006)
Financing expenses		(37,215)	(40,168)
Depreciation and amortisation expense	2b	(36,170)	(210,480)
Share-based payments		(23,424)	-
Loss before income tax benefit		**(818,115)**	**(239,945)**
Income tax benefit	3	-	77,140
Loss from continuing operations		**(818,115)**	**(162,805)**
Discontinued operations			
Profit after tax from discontinued operations	17	-	2,211,648
(Loss) / Profit attributable to members of the parent entity		**(818,115)**	**2,048,843**
Other comprehensive income		-	-
Other comprehensive income / (loss) for the period		**-**	**-**
Total comprehensive (loss) / income attributable to members of the parent entity		**(818,115)**	**2,048,843**
Basic and Diluted loss per share (cents per share) from continuing operations	4	(0.55)	(0.11)
Basic and Diluted (loss) / earnings per share (cents per share) from continuing and discontinued operations	4	(0.55)	1.39

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	31 March 2020 $	30 September 2019 $
Current Assets			
Cash and cash equivalents		1,286,129	1,677,280
Trade and other receivables	5	181,438	146,032
Other assets	6	581,016	144,691
Total Current Assets		2,048,583	1,968,003
Non-Current Assets			
Intangibles	7	88,611	-
Right of use assets	8	230,234	-
Investment property	9	4,441,406	4,441,406
Property, plant and equipment	10	74,387	72,894
Other assets	6	119,733	996,045
Investment in associates	16	1,075,427	1,077,172
Total Non-Current Assets		6,029,798	6,587,517
Total Assets		**8,078,381**	**8,555,520**
Current Liabilities			
Trade and other payables	11	327,743	288,913
Lease liability	12	38,916	-
Interest-bearing liabilities	13	1,750,000	-
Total Current Liabilities		2,116,659	288,913
Non-Current Liabilities			
Interest-bearing liabilities	13	-	1,750,000
Lease liability	12	194,308	-
Provisions		1,235	45,737
Total Non-Current Liabilities		195,543	1,795,737
Total Liabilities		**2,312,202**	**2,084,650**
Net Assets		**5,766,179**	**6,470,870**
Equity			
Issued capital	14	8,716,435	8,626,435
Reserves		1,385,446	1,362,022
Accumulated losses		(4,335,702)	(3,517,587)
Total Equity		**5,766,179**	**6,470,870**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	Issued Capital	Accumulated Losses	Revaluation Reserve	Share-based Payment Reserve	Total
	$	$	$	$	$
Balance at 1 October 2018	14,254,212	(4,449,011)	48,875	1,319,410	11,173,486
Profit attributable to members	-	2,048,843	-	-	2,048,843
Total comprehensive income for the period	-	2,048,843	-	-	2,048,843
Demerger of subsidiary	(5,814,885)	-	(48,875)	-	(5,863,760)
Equity issued net of costs	140,000	-	-	-	140,000
Balance at 31 March 2019	8,579,327	(2,400,168)	-	1,319,410	7,498,569
Balance at 1 October 2019	8,626,435	(3,517,587)	-	1,362,022	6,470,870
Loss attributable to members	-	(818,115)	-	-	(818,115)
Total comprehensive loss for the period	-	(818,115)	-	-	(818,115)
Share-based payments	-	-	-	23,424	23,424
Equity issued net of costs	90,000	-	-	-	90,000
Balance at 31 March 2020	8,716,435	(4,335,702)	-	1,385,446	5,766,179

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	Half-Year to 31 March 2020 $	Half-Year to 31 March 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	394,767	1,682,095
Payments to suppliers and employees	(1,181,762)	(911,310)
Interest received	36,176	24,501
Interest paid	(33,644)	(39,729)
Net cash (used in) / provided by operating activities	(784,463)	755,557
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,993)	-
Proceeds from sale of land	15,000	12,122
Dividends received	61,495	-
Return of capital from associate	16,769	-
Net cash provided by investing activities	79,271	12,122
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	-	140,000
Lease payments	(25,302)	-
Issue of employee loans	-	(105,000)
Receipt of payments from employee loans	39,343	64,514
Issue of loan to associate	-	(1,000,000)
Receipt of payments from associate	300,000	-
Net cash provided by / (used in) financing activities	314,041	(900,486)
Net decrease in cash and cash equivalents	(391,151)	(132,807)
Cash and cash equivalents at beginning of half-year	1,677,280	2,396,170
Cash and cash equivalents at end of half-year	1,286,129	2,263,363

The accompanying notes form part of these financial statements.

FOR THE HALF-YEAR ENDED 31 MARCH 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 'Interim Financial Reporting', Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Group is a for-profit entity.

The interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide a full understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 September 2019 and any public announcements made by Alterra Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 September 2019.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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 interim financial period ended 31 March 2020 of $818,115 (31 March 2019: loss on continuing activities of $162,805) and net cash outflows from operating and investing activities of $705,192 (31 March 2019: net cash inflows of $767,679). At 31 March 2020, the group had $1,286,129 of cash and cash equivalents.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's cashflow forecast will be enhanced by the partial sale of the Dambadgee Springs property (refer subsequent events in Note 20) and is expected to be cash-flow positive in the foreseeable future. The Group is looking to secure additional funding through the issue of new equity. This will strengthen the Group's cashflow position and provide additional cash resources for redistribution into other assets under management.

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 October 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of Adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Reporting Basis and Conventions

The interim report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair value of the consideration given in exchange for assets.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Figures

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

Significant Accounting Judgements and Key Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from the estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 September 2019.

2(a). REVENUE

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time in the following major categories. This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8 (see Note 18).

	Half-Year to 31 March 2020 $	Half-Year to 31 March 2019 $
Revenue		
At a point in time		
Carbon sales	-	93,493
	-	93,493
Over time		
Land license / management fees	212,273	732,921
Lease income	105,000	105,000
Other income	42,281	-
	359,554	837,921
	359,554	931,414
Other Income		
Share of net profit of associates accounted for using the equity method	76,519	36,735
Other income	122,358	57,613
	198,877	94,348

2(b). DEPRECIATION AND AMORTISATION EXPENSE

	Half-Year to 31 March 2020 $	Half-Year to 31 March 2019 $
Depreciation on Plant and Equipment	12,500	9,540
Amortisation of Right of Use Asset	22,281	-
Amortisation of Forestry Rights	-	141,498
Amortisation of Dairy Development Model	-	59,442
Amortisation of Avocado Genetics and Data Asset	1,389	-
	36,170	210,480

3. INCOME TAX

	Half-Year to 31 March 2020 $	Half-Year to 31 March 2019 $
Numerical reconciliation between tax-expense and pre-tax net profit		
Loss before tax	(818,115)	(239,945)
Income tax using the domestic tax rate of 27.5% (2019: 27.5%)	(224,982)	(65,985)
Non-assessable income	-	(11,363)
Non-deductible expenses	-	208
Current year losses for which no deferred tax asset is recognised	224,982	-
Total Income tax benefit for the period	-	(77,140)

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable income 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. There were no deferred tax assets or liabilities recognised as at 31 March 2020.

Alterra Limited and its wholly owned subsidiaries in Australia formed a consolidated tax group as defined under the tax consolidation legislation. Consequently, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Alterra Limited.

4. EARNINGS PER SHARE

	Half-Year to 31 March 2020 Cents per share	Half-Year to 31 March 2019 Cents per share
Basic and diluted loss per share from continuing operations	(0.55)	(0.11)
Basic and diluted (loss) / earnings per share from continuing and discontinued operations	(0.55)	1.39
The earnings and weighted average number of Ordinary Shares used in the calculation of basic earnings per share is as follows:	**$**	**$**
Loss for the period after income tax from continuing operations	(818,115)	(162,805)
(Loss) / Profit for the period after income tax from discontinued operations	(818,115)	2,211,648
	No.	**No.**
Weighted average number of Ordinary Shares outstanding during the year used in calculating basic and diluted EPS	149,180,428	147,599,988

Diluted Earnings Per Share

The Company has no outstanding options at period end therefore there is no diluted earnings per share.

5. TRADE AND OTHER RECEIVABLES

	31 March 2020	30 September 2019
	$	$
Accrued income	55,610	116,593
Trade receivables	116,022	4,070
GST receivable	9,806	25,369
	181,438	146,032

6. OTHER ASSETS

	31 March 2020	30 September 2019
Current	$	$
Employee and Director loans	33,923	18,454
Land debtors	32,000	25,500
Prepayments	15,093	100,737
Loan receivable	500,000	-
	581,016	144,691
Non-Current		
Employee and Director loans	102,095	156,907
Land debtors	10,500	32,000
Loan receivable	-	800,000
Other	7,138	7,138
	119,733	996,045

Employee and Director loans refer to secured monies loaned on 14 November 2018 by Alterra to its key management personnel for purchasing shares in the Company via the exercising of options. The loans are on commercial terms.

Loan receivable refers to an outstanding loan agreement between Alterra and its associate Carbon Conscious Investment Limited. This loan bears interest at 6.5% per annum and is re-payable by 31 December 2020.

	Half-Year to 31 March 2020	Year to 30 September 2019
	$	$
Loan balance at beginning of period	175,361	144,102
Loans advanced during the period	-	105,000
Repayments received	(39,343)	(73,741)
Interest charged	5,701	13,142
Interest received	(5,701)	(13,142)
Loan balance at end of period	136,018	175,361

7. INTANGIBLES

	31 March 2020	30 September 2019
	$	$
Avocado Genetics and Data Asset	90,000	-
Less: accumulated amortisation	(1,389)	-
	88,611	-

The Avocado Genetics and Data Asset are being amortised over 15 years in line with the contractual terms and anticipated pattern of economic benefits.

8. RIGHT OF USE ASSETS

	31 March 2020	30 September 2019
	$	$
Land and Buildings – right of use	252,515	-
Less: accumulated depreciation	(22,281)	-
	230,234	-

The Group leases land and buildings for its offices under a lease between three to five years.

9. INVESTMENT PROPERTY

	31 March 2020	30 September 2019
	$	$
Investment property at cost	4,441,406	4,441,406
	4,441,406	4,441,406

The investment property relates to the Dambadgee Springs property purchased in 2017 and is recorded at cost.

10. PROPERTY, PLANT & EQUIPMENT

	31 March 2020	30 September 2019
	$	$
Property, plant & equipment at cost	247,185	239,949
Less: accumulated depreciation	(172,798)	(167,055)
	74,387	72,894

Property, plant & equipment are recorded at cost, less any impairment losses.

11. TRADE & OTHER PAYABLES

	31 March 2020	30 September 2019
	$	$
Trade payables	109,548	181,424
Employee benefits accrual	122,540	79,582
Sundry payables and accruals	96,655	27,907
	327,743	288,913

12. LEASE LIABILITY

	31 March 2020	30 September 2019
Current	$	$
Lease Liability	38,916	-
	38,916	-
Non-Current		
Lease Liability	194,308	-
	194,308	-

The Group has adopted AASB 16 Leases from 1 October 2019. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. The right of use asset is disclosed at Note 8.

13. INTEREST-BEARING LIABILITIES

	31 March 2020	30 September 2019
	$	$
Current		
Bank loan	1,750,000	-
	1,750,000	-

	31 March 2020	30 September 2019
	$	$
Non-Current		
Bank loan	-	1,750,000
	-	1,750,000

13. INTEREST-BEARING LIABILITIES (continued)

During March 2017, the Group secured debt financing of $2.1 million to assist with the purchase of the Dambadgee Springs property. The outstanding loan of $1.75 million has a repayment date of March 2021.

In May 2020, the Company entered into two conditional sales contracts for a portion of the Dambadgee Springs property. Subject to settlement, the Company intends to repay $1,050,000 of the loan, with the balance to be extended for a further 2 years. At the date of this report discussions with the bank were ongoing.

14. ISSUED CAPITAL

	31 March 2020 $	30 September 2019 $
150,777,688 (30 Sept 2019: 148,777,688) fully paid Ordinary Shares	8,716,435	8,626,435

	31 March 2020 No.	31 March 2020 $	30 September 2019 No.	30 September 2019 $
Movement in Ordinary Shares on issue				
At beginning of the period	148,777,688	8,626,435	143,599,988	14,254,212
Shares issued – data access agreements	2,000,000	90,000	5,177,700	187,108
Demerger of Carbon Business (refer Note 17)	-	-	-	(5,814,885)
At end of reporting period	150,777,688	8,716,435	148,777,688	8,626,435

15. OPTIONS AND PERFORMANCE RIGHTS

Options

	31 March 2020 No.	31 March 2020 Weighted average exercise price	30 September 2019 No.	30 September 2019 Weighted average exercise price
Movement in Options over Ordinary Shares on issue				
At beginning of the period	4,000,000	$0.040	10,000,000	$0.100
Granted during the period	8,000,000	$0.040	4,000,000	$0.040
Exercised over the period	-	-	(4,000,000)	$0.035
Expired during the period	-	-	(6,000,000)	$0.150
Exercisable at end of reporting period	12,000,000	$0.040	4,000,000	$0.040

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.

Performance Rights

1. The Performance Rights issued have the following milestones attached to them:
   - **Class A Performance Rights**: 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**: 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**: 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**: 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**: 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**);

15. OPTIONS AND PERFORMANCE RIGHTS (continued)

Valuation:

	Class A	Class B	Class C	Class D	Class E
Number of Performance rights	3,000,000	3,000,000	4,000,000	4,000,000	9,000,000
Value per Right	$0.0055	$0.0053	$0.0057	$0.0032	$0.0030
Valuation per class	$16,500	$15,900	$22,800	$12,800	$27,000
Vesting date	30 Sep 20	30 Sep 21	30 Sep 22	30 Sep 23	30 Sep 24

2. The Performance Rights issued have the following milestones attached to them:

- 3,000,000 Performance Rights which will vest upon the execution of a binding term sheet for the development or purchase of 50 hectares of avocados;
- 3,000,000 Performance Rights which will vest upon the execution of a binding term sheet for the development or purchase of an additional 150 hectares of avocados;

	Tranche 1	Tranche 2
Number of Performance Rights	3,000,000	3,000,000
Value per Right	0.01576	0.01618
Valuation per class	$47,280	$48,540

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	31 March 2020	30 September 2019
	$	$
Investment in associate	1,075,427	1,077,172
	1,075,427	1,077,172

Associate

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

	Principal Activity	Country	Ownership Interest		Carrying Amount	
			31 March 2020	30 September 2019	31 March 2020	30 September 2019
			%	%	$	$
Carbon Conscious Investment Limited	Management of agro-forestry estates for carbon sequestration on behalf of clients	Australia	15	15	1,075,427	1,077,172

16. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Carbon Conscious Investments Limited became an associate as at 1 January 2019 post the demerger of the Carbon Business from Alterra Limited.

The Group has determined that it has significant influence over Carbon Conscious Investments Ltd as it holds 15% of the voting power in combination with being contracted to provide management services for the carbon business; Alterra Limited having a contractual obligation to provide a performance guarantee to Carbon Conscious Investment Ltd customers and Alterra Limited having an outstanding loan agreement in place for $500,000.

Summarised Financial Information

	31 March 2020 $	31 March 2019 $
Statement of comprehensive income		
Revenue	1,379,731	622,112
Profit for the period	510,127	261,102
Other comprehensive expenses for the period	(56,194)	-
Total comprehensive income	453,933	261,102
Dividends received during the period	61,495	-
Statement of financial position		
Current assets	1,763,340	1,628,675
Non-current assets	3,665,457	4,231,443
Total assets	5,428,797	5,860,118
Current liabilities	871,325	7,951
Non-current liabilities	666,520	1,000,000
Total liabilities	1,537,845	1,007,951
Net assets of the associate	3,890,952	4,852,167
Proportion of the Group's ownership interest in associate	15%	15%
Group's share of associate's net assets	583,643	727,825
Goodwill on associate	491,784	335,624
Carrying value of the Group's interest in associate	1,075,427	1,063,449

17. DISCONTINUED OPERATIONS

On 31 December 2018, the Group demerged the Carbon Business via an in-specie distribution of shares in Carbon Conscious Investments Limited. The Group retains a 15% interest in Carbon Conscious Investments Limited. Results for the Carbon Business and its subsidiaries have been classified as a discontinued operation for the period.

	31 March 2020 $	31 March 2019 $
Revenue	-	632,324
Expenses	-	(141,497)
Profit before tax from discontinued operations	-	490,827
Income tax	-	-
Profit after tax from discontinued operations	-	490,827

	31 March 2020 $	31 March 2019 $
Profit on disposal before income tax	-	1,720,821
Income tax	-	-
Profit on disposal after income tax	-	1,720,821
Total profit after tax attributable to the discontinued operations	-	2,211,648
Current assets	-	306,230
Non-current assets	-	4,372,939
Total assets	-	4,679,169
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
	-	4,679,169
Cash flows from discontinued operations		
Net cash flows used in operating activities	-	632,324
Net cash flows from discontinued operations	-	632,324

18. SEGMENT REPORTING

During the year ended 30 September 2019 Alterra demerged its Carbon Business via an in-specie distribution of shares to Alterra shareholders in a new entity (Carbon Conscious Investments Ltd). Alterra's core business of developing land use change opportunities in agriculture continued, however the focus has turned to high value permanent tree crops such as avocados. As such the segment reporting has been updated to better reflect the current operations as follows:

- Carbon Business – relates to the pre-demerger carbon operations for clients;
- 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 – remains the same.

Information regarding the results of each reportable segment is included on page 29. Performance is measured on net profit / loss before taxation as detailed in the management reports presented to the Board of Directors. Segmented cashflows are not regularly provided to the Board of Directors and as such are not reported for in these accounts.

In the tables below, revenue is disaggregated by reportable segment and represents services transferred at a point in time as well as over time.

18. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2020	Carbon Business $	Asset Management $	Asset Development $	Business Development $	Corporate $	Consolidated $
Revenue						
Fees to external customers:	-	212,273	-	-	-	212,273
Other revenues from external customers	-	-	147,282	-	162,700	309,982
Interest revenue	-	-	4,022	-	32,154	36,176
Total segment revenue	-	212,273	151,304	-	194,854	558,431
Expenses	-	-	-	-	-	-
Cost of sales	-	62,676	-	-	-	62,676
Interest expense	-	-	29,830	-	7,385	37,215
Depreciation and amortisation	-	-	2,008	-	34,162	36,170
Other costs	-	-	92,410	176,350	971,725	1,240,485
Total segment expenses	-	62,676	124,248	176,350	1,013,272	1,376,546
Net profit / (loss) before tax	-	149,597	27,056	(176,350)	(818,418)	(818,115)
Income tax benefit / (expense)	-	-	-	-	-	-
Net profit / (loss) after tax from continuing operations	-	149,597	27,056	(176,350)	(818,418)	(818,115)
Timing of revenue recognition:						
At a point in time	-	-	-	-	131,740	131,740
Over time	-	212,273	151,304	-	63,114	426,691
Total revenue	-	212,273	151,304	-	194,854	558,431

18. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2020	Carbon Business	Asset Management	Asset Development	Business Development	Corporate	Consolidated
	$	$	$	$	$	$
Current assets	32,000	-	126,011	-	1,890,572	2,048,583
Non-current assets	10,500	-	4,446,295	88,611	1,484,392	6,029,798
Total segment assets	42,500	-	4,572,306	88,611	3,374,964	8,078,381
Segment liabilities						
Current liabilities	-	-	1,750,000	-	366,659	2,116,659
Non-current liabilities	-	-	-	-	195,543	195,543
Total segment liabilities	-	-	1,750,000	-	562,202	2,312,202
Net segment assets	**42,500**	**-**	**2,822,306**	**88,611**	**2,812,762**	**5,766,179**

18. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2019	Carbon Business $	Asset Development $	Corporate / other $	Consolidated $
Revenue				
Fees to external customers:	826,414	-	-	826 414
Other revenues from external customers	-	105,000	69,847	174,847
Interest revenue	-	-	24,501	24,501
Total segment revenue	826,414	105,000	94,348	1,025,762
Expenses				
Cost of sales	116,276	295	-	116,571
Interest expense	-	39,683	247	39,930
Depreciation and amortisation	151,038	59,442	-	210,480
Other costs	2,377	-	896,349	898,726
Total segment expenses	269,691	99,420	896,596	1,265,707
Net profit / (loss) before tax	556,723	5,580	(802,248)	(239,945)
Income tax benefit	-	-	77,140	77,140
Net profit / (loss) after tax from continuing operations	**556,723**	**5,580**	**(725,108)**	**(162,805)**
Timing of revenue recognition:				
At a point in time	93,493	-	-	93,493
Over time	732,921	105,000	94,348	932,269
Total revenue	826,414	105,000	94,348	1,025,762
Segment assets				
Current assets	-	132,489	2,311,501	2,443,990
Non-current assets	-	4,447,716	2,769,056	7,216,772
Total segment assets	-	4,580,205	5,080,557	9,660,762
Segment liabilities				
Current liabilities	-	-	412,193	412,193
Non-current liabilities	-	1,750,000	-	1,750,000
Total segment liabilities	-	1,750,000	412,193	2,162,193
Net segment assets	**-**	**2,830,205**	**4,668,364**	**7,498,569**
Cash flow information				
Net cash flow from operating activities	668,490	75,817	11,250	755,557
Net cash flow from investing activities	(668,490)	(75,817)	756,429	12,122
Net cash flow from financing activities	-	-	(900,486)	(900,486)
Net decrease in cash	-	-	(132,807)	(132,807)
Cash at beginning of half-year	-	-	2,396,170	2,396,170
Cash at end of half-year	**-**	**-**	**2,263,363**	**2,263,363**

19. CONTINGENT LIABILITIES

The Group currently has no contingent liabilities.

20. EVENTS SUBSEQUENT TO REPORTING DATE

300 Hectare Avocado Development Project in Pemberton

On 7 April 2020 Alterra announced that it had secured an up to 50-year lease for its first large-scale avocado project "Carpenters Project" located in the premium growing region of Pemberton, Western Australia. A special purpose vehicle, Carpenters Beedelup Pty Ltd, has been established to develop the project, in which Alterra intends to maintain a direct equity interest. With approximately 2,500 hectares of current avocado production in Western Australia, this single development has the potential to represent about 10 per cent of state's planted hectares.

CapRaise Strategic Agreement

On 28 April 2020 Alterra entered into a strategic agreement with family office buy-side advisory firm CapRaise to enable Alterra and its development projects access to an extensive international network of large family offices and additional investor portfolio worth more than $15 billion. Under the agreement with CapRaise, Alterra and its development projects will gain access to pre-vetted family offices that are actively seeking to diversify their existing investment portfolio into horticultural and agricultural land and water assets.

Partial Sale of Dambadgee Springs

On 11 May 2020 Alterra entered into two conditional sales contracts for the sale of 913 hectares of its Dambadgee Springs property for $3.1 million. Settlement is expected in two tranches – July 2020 and January 2021. Post selling costs and loan repayments, Alterra expects to retain $2 million for working capital and to advance development opportunities. Management have determined that the property did not meet the criteria of being held for sale under AASB5 as at 31 March 2020.

Alterra has retained 727 hectares of the Dambadgee Springs property, which includes the $2.5 million contracted income from the Yandin Wind Farm. The Company will now consider completing ongoing land use change activity including the development potential for enhanced grazing in addition to both plantation forestry and carbon forestry.

21. FINANCIAL INSTRUMENTS

As at 31 March 2020, the Group held no financial instruments at fair value.

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position.

The carrying amounts of these financial assets and liabilities are considered to be a reasonable approximation of their fair value.

The fair values of financial liabilities are estimated by discounting the remaining contractual maturities at the current market rate that is available for similar liabilities.

DIRECTORS' DECLARATION

The Directors of Alterra Limited declare that:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 31 March 2020 and its performance for the half-year ended on that date.

2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Oliver Barnes
Managing Director

Perth
Dated: 29 May 2020

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Alterra Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Alterra Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 March 2020, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Alterra Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 March 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
29 May 2020