Appendix 4D and Interim Financial Report for the Period ended 31 March 2023

Alterra Limited (ASX:1AG) ("Alterra" or "the Company") hereby encloses Appendix 4D as required under ASX Listing Rule 4.2A.3 and a copy of the Interim Report for the activities of Alterra Limited for the 6 month period ended 31 March 2023.

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

- ENDS -

For enquiries, please contact:
Mark Clements, Chairman & Company Secretary
P: (+61) 08 9204 8400
E: mclements@alterra.com.au

Steve Ledger, Chief Financial Officer
P: (+61) 08 9204 8400
E: sledger@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 for more information.

Details of Reporting Period

The reporting period is from 1 October 2022 through to 31 March 2023.
Results for Announcement to the Market

		Half-Year to March 2023 $'000	Half-Year to March 2022 $'000
Revenue from ordinary activities	Down 53.3%	165	353
Loss before income tax from continuing operations	Down 26.3%	(1,037)	(1,408)
Loss before income tax from all operations	Down 26.3%	(1,037)	(1,408)
Loss after tax attributable to members	Down 26.3%	(1,037)	(1,408)
EBITDA	Down 33.8%	(884)	(1,336)
EBITDA from continuing operations	Down 33.8%	(884)	(1,336)

Operational Highlights

Stage 3 Completion and Stage 4 Preparation

- Successful completion of Stage 3 of the Company's 100% owned Carpenters Project in Western Australia's south-west involving the planting of approximately 42,000 avocado trees over 85ha and the installation of supporting irrigation and infrastructure
- In total Carpenters now has more than 50,000 trees in the ground covering ~100ha
- Land clearing commenced in preparation for Stage 4 plantings

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

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

Safety

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

Corporate

- The Company entered into a secured debt facility for up to $3.7M with National Australia Bank Limited to further advance the development of the Carpenters Project
- The Company has applied best horticultural practices to be firmly on the path to building a sustainable agribusiness operation of scale

Net Tangible Assets per Security

Net tangible assets per ordinary share is $0.02 as at 31 March 2023 (as at 31 March 2022: $0.02).

Net assets per ordinary share is $0.02 as at 31 March 2023 (as at 31 March 2021: $0.02).

Material Investments in Associates

The Company has the following investments in associates:

	31 March 2023	31 March 2022
Carbon Conscious Investments Limited		
Carrying value of Group's interest in associate	$1,130,899	$1,153,442
Group's ownership interest in associate	15%	15%

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.

The results should be read in conjunction with the Interim Financial reports for the period lodged with the ASX on 29 May 2023.

Authorised by the Board of Alterra Limited.

Mark Clements
Non-Executive Chairman
Date: 29 May 2023

Alterra Limited

ABN 20 129 035 221

and

Controlled Entities

Interim Financial Report

For the Half-Year Ended 31 March 2023

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COMPANY DIRECTORY

ABN 20 129 035 221

Directors

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

Share Registry

AUTOMIC PTY LTD
LEVEL 5, 191 ST GEORGES TERRACE
PERTH WA 6000

Company Secretary

MR MARK CLEMENTS

Solicitors

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

Principal and Registered Office

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

Auditors

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

Securities Exchange Listing

AUSTRALIAN SECURITIES EXCHANGE
(HOME EXCHANGE: PERTH, WA)
LEVEL 40, 152-158 ST GEORGES TCE
PERTH WA 6000
ASX CODE: 1AG

Your Directors submit the interim financial report of Alterra Limited for the half-year ended 31 March 2023.

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 Mark Clements	-	Non-Executive Chairman
Mr Gregory Harvey	-	Executive Director
Mr John Palermo	-	Non-Executive Director

COMPANY SECRETARY

Mr Mark Clements

REVIEW OF OPERATIONS

Operational Highlights

Stage 3 Completion and Stage 4 Preparation

- Successful completion of Stage 3 of the Company's 100% owned Carpenters Project in Western Australia's south-west involving the planting of approximately 42,000 avocado trees over 85ha and the installation of supporting irrigation and infrastructure
- In total Carpenters now has more than 50,000 trees in the ground covering ~100ha
- Land clearing commenced in preparation for Stage 4 plantings

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

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

Safety

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

Corporate

- The Company entered into a secured debt facility for up to $3.7M with National Australia Bank Limited to further advance the development of the Carpenters Project
- The Company has applied best horticultural practices to be firmly on the path to building a sustainable agribusiness operation of scale

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

Carpenters Development

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).

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 period 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 is advancing 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. Further work on the dam construction has ceased due to weather conditions. 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 period (LTIFR – zero).

Corporate

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 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.

Also during the period, 1,000,000 fully paid ordinary shares were issued to the Company's Technical Partner in relation to the conversion of 1,000,000 performance rights.

Financial Results

The loss of the Company for the half-year after providing for income tax was $1,036,676 (2022: $1,407,522) which reflected the costs associated with the further development of the Carpenters Project. The Company recorded revenue and other income of $164,829 (2022:$353,451) including a performance fee guarantee fee, apprenticeship recoveries and fuel tax credits. The reduction in revenue was due to the strategic decision to cease the management service agreement with Carbon Conscious Investments Limited (Alterra:15%).

Net assets of the Company are $11,535,492 including cash on hand of $3,282,253 and capitalised work in progress costs of the Carpenters Project which has increased during the period by $2,141,964 to $7,585,489 (2022: $5,443,525).

Carbon Conscious Investments Limited ("CCIL")(Alterra 15%)

Alterra Limited owns a 15% interest in CCIL, a manager of large-scale carbon projects.

During the period, Alterra made the strategic decision to terminate the management services agreement with CCIL to provide carbon farming management services. This decision allows Alterra to focus on the Carpenters development.

ESG Commitment and Framework

The Carpenters Project 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

In addition, as part of the Company's commitment to a positive social and economic impact at its developments, Alterra has implemented five sustainability outcomes modelled off the United Nations global goals. These outcomes will help the Company to measure its contribution to the community and responsible use of resources in the regions in which it operates.

These goals include the following:

- Zero Hunger: Create sustainable food production systems that strengthen the industry's 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 through Alterra's R&D claim for its innovative avocado growing methodology. Apply new 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.

On behalf of the Board
Greg Harvey
Executive Director

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 2023 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.

Mark Clements
Non-Executive Chairman
Dated: 26 May 2023

AUDITOR'S INDEPENDENCE DECLARATION

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

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

Perth, Western Australia
26 May 2023

D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 MARCH 2023

	Note	Half-Year to 31 March 2023	Half-Year to 31 March 2022
Continuing Operations		$	$
Revenue	2a	37,769	241,882
Other income	2a	127,060	111,569
Operating expenses - asset management	15	-	(141,521)
Operating expenses - asset development	15	-	(530,776)
Operating expenses - corporate	15	-	(33,006)
Administrative expenses		(482,962)	(422,248)
Business development expenses		(13,590)	(6,381)
Employee benefits expense		(502,778)	(493,450)
Occupancy expenses		(9,525)	(30,565)
Financing expenses		(47,693)	(8,426)
Depreciation and amortisation expense	2b	(104,812)	(63,310)
Share-based payments		(40,145)	(31,290)
Loss before income tax income		**(1,036,676)**	**(1,407,522)**
Income tax expense		-	-
Loss from continuing operations		**(1,036,676)**	**(1,407,522)**
Loss attributable to members of the parent entity		**(1,036,676)**	**(1,407,522)**
Other comprehensive income		-	-
Other comprehensive income / (loss) for the period		-	-
Total comprehensive loss attributable to members of the parent entity		**(1,036,676)**	**(1,407,522)**
Basic and Diluted loss per share (cents per share) from continuing operations	3	(0.15)	(0.51)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	31 March 2023 $	30 September 2022 $
Current Assets			
Cash and cash equivalents		3,282,253	2,345,832
Trade and other receivables	4	122,434	1,213,213
Other assets	5	308,435	284,861
Total Current Assets		3,713,122	3,843,906
Non-Current Assets			
Intangibles	6	97,192	101,125
Property, plant and equipment	8	13,049,056	10,139,043
Investment in associates	14	1,130,899	1,218,044
Right of use assets	7	12,377,842	12,613,006
Other assets	5	361,555	9,315
Total Non-Current Assets		27,016,544	24,080,533
Total Assets		**30,729,666**	**27,924,439**
Current Liabilities			
Trade and other payables	10	359,775	431,089
Other liabilities		188,829	160,906
Lease liabilities	11	394,309	340,293
Total Current Liabilities		**942,913**	932,288
Non-Current Liabilities			
Financial Liabilities	18	3,700,000	-
Other liabilities		488,665	410,329
Lease liabilities	11	14,062,596	14,048,425
Total Non-Current Liabilities		18,251,261	14,458,754
Total Liabilities		19,194,174	**15,391,042**
Net Assets		**11,535,492**	**12,533,397**
Equity			
Issued capital	12	19,725,097	19,715,471
Reserves		1,552,879	1,542,715
Accumulated losses		(9,742,484)	(8,724,789)
Total Equity		**11,535,492**	**12,533,397**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

FOR THE HALF-YEAR ENDED 31 MARCH 2023

	Issued Capital	Accumulated Losses	Share-based Payment Reserve	Total
	$	$	$	$
Balance at 1 October 2021	13,947,477	(7,244,990)	1,476,093	8,178,580
Loss attributable to members	-	(1,407,522)	-	(1,407,522)
Total comprehensive loss for the period	-	(1,407,522)	-	(1,407,522)
Share-based payments	-	-	31,292	31,292
Balance at 31 March 2022	**13,947,477**	**(8,652,512)**	**1,507,385**	**6,802,350**
Balance at 1 October 2022	19,715,471	(8,724,789)	1,542,715	12,533,397
Loss attributable to members	-	(1,036,676)	-	(1,036,676)
Total comprehensive loss for the period	-	(1,036,676)	-	(1,036,676)
Conversion of performance rights	11,000	18,981	(29,981)	-
Capital raising expenses	(1,374)	-	-	(1,374)
Share-based payments	-	-	40,145	40,145
Balance at 31 March 2023	**19,725,097**	**(9,742,484)**	**1,552,879**	**11,535,492**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 MARCH 2023

	Half-Year to 31 March 2023 $	Half-Year to 31 March 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and government subsidies received	1,459,621	332,976
Payments to suppliers and employees	(1,228,241)	(1,779,211)
Interest paid	(47,456)	(5,802)
Net cash provided by/(used in) operating activities	**183,924**	**(1,452,037)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(514,904)	(543,956)
Expenditure on development assets	(2,141,964)	(1,309,727)
Dividends received	175,555	59,996
Net cash used in investing activities	**(2,481,313)**	**(1,793,687)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Related party loans	-	(469)
Bank loan drawdowns	3,700,000	-
Debt service payments held on deposit	(352,240)	-
Principal repayment of leases	(113,950)	(52,830)
Net cash provided by/(used in) financing activities	**3,233,810**	**(53,299)**
Net increase/(decrease) in cash and cash equivalents	936,421	(3,299,023)
Cash and cash equivalents at beginning of half-year	2,345,832	4,346,827
Cash and cash equivalents at end of half-year	**3,282,253**	**1,047,804**

The accompanying notes form part of these financial statements.

FOR THE HALF-YEAR ENDED 31 MARCH 2023

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 2022 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 2022.

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 2023 of $1,036,676 (31 March 2022: $1,407,522) and net cash outflows from operating and investing activities of $(2,297,389) (31 March 2022: $(3,245,723)). At 31 March 2023, the Group had $3,282,253 of cash and cash equivalents.

The Company development plan for Carpenters following the recent planting of Stage 3 (85Ha) is to continue to increase the scale of the Project with preparations for Stage 4 plantings having already commenced. Any future development of Carpenters beyond Stage 4 is dependent on a final investment decision subject to routine commercial considerations. The Company has sufficient cash reserves to continue on a going concern basis if development does not proceed in the near term however 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 existing $3.7m debt provided by NAB is subject to 30/70 debt/equity covenant requirements which continue to be monitored. In the event the covenant was not met, the liability would be classified as current. The Board continues to monitor available capital and development plans accordingly. The Directors believe that the going concern basis is appropriate for the following reasons;

- The Group's assets significantly increased during the period with assets exceeding liabilities by $11.5M;
- The Company has historically been successful in raising equity and has the ability under ASX Listing Rule 7.1 and 7.1A to place securities to raise equity;
- The Company has successfully secured a debt facility with a major Australian bank; and
- The Company continues to assess additional horticultural opportunities to add value for shareholders.

Should future funding not eventuate there is material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New or Amended Accounting Standards and Interpretations Adopted

New and Revised Accounting Standards and Interpretations on issue
The Group has reviewed all of the new and revised Standards and Interpretations applicable to the half-year ended 31 March 2023. As a result of this review, the Group has determined that there is no material impact and therefore no change is necessary to its accounting policies.

Standards and Interpretations in issue not yet mandatory
The Group has also reviewed all of the new and revised Standards and Interpretations in issue not yet mandatory for the half-year ended 31 March 2023. As a result of this review, the Group has determined that there is no material impact of the Standards and Interpretations in issue not yet mandatory on the Group and therefore no change is necessary to its accounting policies.

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.

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 2022.

2(a). REVENUE AND OTHER INCOME

The Group derives its revenue from 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 2023 $	Half-Year to 31 March 2022 $
Over time		
Land license / management fees	4,283	241,882
Operational income and recoveries	33,486	-
	37,769	**241,882**
Other Income		
Share of net profit of associates accounted for using the equity method	88,410	81,059
Other income	38,650	30,510
	127,060	**111,569**

Other income of $38,650 (2022: $30,510) includes performance guarantee fees and interest.

2(b). DEPRECIATION AND AMORTISATION EXPENSE

	Half-Year to 31 March 2023 $	Half-Year to 31 March 2022 $
Depreciation on plant and equipment	120,670	56,452
Amortisation of right of use asset	228,186	248,504
Amortisation of avocado genetics and data asset	10,910	3,094
Capitalised costs	(254,954)	(244,740)
	104,812	**63,310**

3. EARNINGS PER SHARE

	Half-Year to 31 March 2023 Cents per share	Half-Year to 31 March 2022 Cents per share
Basic and diluted loss per share from continuing operations	(0.15)	(0.51)
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	(1,036,676)	(1,407,522)
Loss for the period after income tax from discontinued operations	-	-
	No.	No.
Weighted average number of Ordinary Shares outstanding during the year used in calculating basic and diluted EPS	696,552,548	277,776,274

4. TRADE AND OTHER RECEIVABLES

	31 March 2023 $	30 September 2022 $
Accrued income	700	907,229
GST receivable	121,734	305,984
	122,434	1,213,213

5. OTHER ASSETS

	31 March 2023 $	30 September 2022 $
Current		
Unsecured loans to third parties	110,442	110,442
Prepayments	197,993	174,419
	308,435	**284,861**
Non-Current		
Debt service reserve account (note 18)	352,240	-
Other	9,315	9,315
	361,555	**9,315**

Unsecured loans to third parties are costs incurred and recoverable from the lessor under the terms of the Carpenters lease agreement.

6. INTANGIBLES

	31 March 2023 $	30 September 2022 $
Avocado genetics and data asset	118,000	118,000
Less: Accumulated amortisation	(20,808)	(16,875)
	97,192	**101,125**

The Avocado genetics and data asset are being amortised over 15 years in line with the contractual terms and anticipated pattern of economic benefits.

7. RIGHT OF USE ASSETS

	31 March 2023 $	30 September 2022 $
Motor vehicle – right of use	72,098	72,098
Less: Accumulated depreciation	(16,280)	(9,303)
Land - Carpenters - right of use	13,691,138	13,691,138
Less: Accumulated depreciation	(1,369,114)	(1,140,927)
	12,377,842	**12,613,006**

8. PROPERTY, PLANT AND EQUIPMENT

	31 March 2023 $	30 September 2022 $
Capitalised work in progress (Property) (Note 9)	7,585,489	5,443,525
Plant and equipment at cost	5,333,157	4,474,564
Less: Accumulated depreciation	(225,384)	(179,802)
Vehicles at cost	507,015	507,015
Less: Accumulated depreciation	(151,221)	(106,259)
	13,049,056	**10,139,043**

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

9. CARPENTERS PROJECT UNDER DEVELOPMENT

	31 March 2023 $	30 September 2022 $
Carpenters Beedelup - capitalised work in progress	7,585,489	5,443,525
	7,585,489	**5,443,525**

The capitalised work in progress (property) 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 required to be invested to support Stages 1,2 and 3 of the 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.

10. TRADE AND OTHER PAYABLES

	31 March 2023 $	30 September 2022 $
Current		
Trade payables	203,955	308,865
Employee benefits accrual	61,894	46,795
Sundry payables and accruals	93,926	75,429
	359,775	**431,089**

11. LEASE LIABILITY

	31 March 2023	30 September 2022
Current	**$**	**$**
Lease Liability	394,309	340,293
	394,309	**340,293**
Non-Current		
Lease Liability	14,062,596	14,048,425
	14,062,596	**14,048,425**

12. ISSUED CAPITAL

	31 March 2023	30 September 2022
	$	**$**
696,552,548 (30 Sept 2022: 695,552,548) fully paid Ordinary Shares	19,725,097	19,715,471

	31 March 2023	31 March 2023	30 September 2022	30 September 2022
	No.	**$**	**No.**	**$**
Movement in Ordinary Shares on issue				
At beginning of the period	695,552,548	19,715,471	277,776,274	13,947,477
Shares issued	-	-	416,776,274	5,834,868
Conversion of performance rights	1,000,000	11,000	1,000,000	11,000
Capital raising costs	-	(1,374)	-	(77,874)
At end of reporting period	696,552,548	19,725,097	695,552,548	19,715,471

13. OPTIONS AND PERFORMANCE RIGHTS

Options

	31 March 2023	31 March 2023	30 September 2022	30 September 2022
	No.	**Weighted average exercise price**	**No.**	**Weighted average exercise price**
Movement in Options over Ordinary Shares on issue				
At beginning of the period	29,000,000	$0.050	18,000,000	$0.040
Granted during the period	-	-	11,000,000	$0.070
Exercised over the period	-	-	-	-
Expired during the period	-	-	-	-
Exercisable at end of reporting period	29,000,000	$0.050	29,000,000	$0.050

13. OPTIONS AND PERFORMANCE RIGHTS (continued)

Options (continued)

The outstanding balance as at 31 March 2023 is represented by:

- 4,000,000 options over Ordinary Shares with an exercise price of $0.04 each, expiring on 5 April 2023
- 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 (tranches 1a,2a,3a,and 4a)
- 1,500,000 options over Ordinary Shares with an exercise price of $0.05 each, expiring on 25 March 2027 (tranches 1b and 4b)
- 1,500,000 options over Ordinary Shares with an exercise price of $0.08 each, expiring on 25 March 2027 (tranches 2b and 5b)
- 2,000,000 options over Ordinary Shares with an exercise price of $0.12 each, expiring on 25 March 2027 (tranches 3b and 6b)

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
Grant date	29 Jul 21	29 Jul 21	29 Jul 21	29 Jul 21	25 Mar 22	25 Mar 22	25 Mar 22	25 Mar 22	25 Mar 22	25 Mar 22
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	25 Mar 27	25 Mar 27	25 Mar 27	25 Mar 27	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%

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 of exercise prices for options outstanding at the end of the period was $0.05 (30 September 2022: $0.05).

13. OPTIONS AND PERFORMANCE RIGHTS (continued)

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:

Performance Rights	Class 1	Class A	Class B	Class C	Class D	Class E	Class F	Total
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	-	-	-	-	-	-	-	-
Cancelled during the period	-	-	-	-	-	-	-	-
Total	-	2,250,000	2,250,000	3,000,000	3,000,000	6,500,000	2,000,000	19,000,000

- **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: During the period 1,000,000 performance rights vested and were exercised. 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.

14. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	31 March 2023	30 September 2022
	$	$
Investment in associate	1,130,899	1,218,044
	1,130,899	**1,218,044**

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 2023	30 September 2022	31 March 2023	30 September 2022
			%	%	$	$
Carbon Conscious Investments Limited	Management of agroforestry estates for carbon sequestration on behalf of clients	Australia	15	15	1,130,899	1,218,044

14. 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 Alterra also having a contractual obligation to provide a performance guarantee to a Carbon Conscious Investments Limited's customer, in addition to board representation.

Summarised Financial Information

	31 March 2023 $	31 March 2022 $
Statement of comprehensive income		
Revenue	1,522,430	1,333,995
Profit for the period	589,403	540,387
Other comprehensive expenses for the period	-	-
Total comprehensive income	**589,403**	**540,387**
Dividends received by Alterra	175,555	59,996
Statement of financial position		
Current assets	2,569,806	2,375,274
Non-current assets	2,204,385	2,554,448
Total assets	4,774,191	4,929,722
Current liabilities	417,877	334,500
Non-current liabilities	332,111	423,120
Total liabilities	749,988	757,620
Net assets of the associate	4,024,203	4,172,102
Proportion of the Group's ownership interest in associate	15%	15%
Group's share of associate's net assets	603,630	625,816
Goodwill on associate	527,269	527,626
Carrying value of the Group's interest in associate	**1,130,899**	1,153,442

15. SEGMENT REPORTING

Alterra's core business of developing agricultural land and water opportunities continued during the period, with a focus on the Carpenters. As such, the segment reporting remains consistent with prior year.

- 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 and or opportunities;
- Corporate.

Information regarding the results of each reportable segment is included on this note. 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.

15. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2023	Asset Management	Asset Development	Corporate	Consolidated
	$	$	$	$
Revenue and Other Income				
Fees from external customers	4,283	-	-	4,283
Other revenues from external customers	-	-	160,546	160,546
Total segment revenue	4,283	-	160,546	164,829
Expenses				
Operating costs	-	-	-	-
Financing expenses	-	-	47,693	47,693
Depreciation and amortisation	-	-	104,812	104,812
Other costs	-	-	1,049,000	1,049,000
Total segment expenses	-	-	1,201,505	1,201,505
Income tax benefit / (expense)	-	-	-	-
Net profit / (loss) after tax from continuing operations	**4,283**	**-**	**(1,040,959)**	**(1,036,676)**
Timing of revenue and other income recognition:				
At a point in time	-	-	-	-
Over time	4,283	-	160,546	164,829
Total revenue	4,283	-	**160,546**	164,829

Half-Year ended 31 March 2023	Asset Management	Asset Development	Corporate	Consolidated
	$	$	$	$
Current assets	-	298,734	3,414,388	3,713,122
Non-current assets	-	24,628,704	2,387,840	27,016,544
Total segment assets	-	24,927,438	5,802,228	30,729,666
Segment liabilities				
Current liabilities	-	516,064	426,849	942,913
Non-current liabilities	-	14,084,750	4,166,511	18,251,261
Total segment liabilities	-	14,600,814	4,593,360	19,194,174
Net segment assets	**-**	**10,326,624**	**1,208,868**	**11,535,492**

15. SEGMENT REPORTING (continued)

Half-Year ended 31 March 2022	Asset Management $	Asset Development $	Corporate $	Consolidated $
Revenue and Other Income				
Fees to external customers	241,882	-	-	241,882
Other revenues from external customers	-	-	111,569	111,569
Total segment revenue	241,882	-	111,569	353,451
Expenses				
Operating costs	141,521	530,776	33,006	705,303
Interest expense	-	-	8,426	8,426
Depreciation and amortisation	-	-	63,310	63,310
Other costs	6,686	-	977,248	983,934
Total segment expenses	148,207	530,776	1,081,990	1,760,973
Income tax benefit / (expense)	-	-	-	-
Net profit / (loss) after tax from continuing operations	**93,675**	**(530,776)**	**(970,421)**	**(1,407,522)**
Timing of revenue and other income recognition:				
At a point in time	-	-	-	-
Over time	241,882	-	111,569	353,451
Total revenue	241,882	-	**111,569**	353,451

Half-Year ended 31 March 2022	Asset Management $	Asset Development $	Corporate $	Consolidated $
Current assets	-	302,104	1,252,477	1,554,581
Non-current assets	-	18,547,036	1,753,481	20,300,517
Total segment assets	-	18,849,140	3,005,958	21,855,098
Segment liabilities				
Current liabilities	-	211,140	451,443	662,583
Non-current liabilities	-	14,053,124	337,041	14,390,165
Total segment liabilities	-	14,264,264	788,484	15,052,748
Net segment assets	**-**	**4,584,876**	**2,217,474**	**6,802,350**

16. CONTINGENT LIABILITIES

The Group currently has no contingent liabilities.

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 5 April 2023, 4,000,000 options with an exercise price of $0.04 each expired without exercise.

Other than the above, there have been no subsequent events since the reporting date.

18. FINANCIAL INSTRUMENTS

As at 31 March 2023, 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.

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.

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 2023 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 s303(5) of the Corporations Act 2001.

Mark Clements
Non-Executive Chairman
Dated: 26 May 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alterra Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Alterra Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 March 2023, 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 information, 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 half-year financial report of Alterra Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2023 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*.

Basis for conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year 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 2023 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*.

A review of a half-year 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.

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

Perth, Western Australia
26 May 2023

D Buckley

D I Buckley
Partner