

ASX Announcement

2 September 2024

RLF Enters Strategic Alliance with DIT AgTech Ltd for Use of RLF and LiquaForce Products in Fertigation

Key Highlights

- RLF and DIT AgTech have executed a binding agreement to form a Strategic Alliance to explore and develop commercial opportunities
- DIT AgTech is Australia's foremost livestock water supplementation system and productivity platform provider
- Proposed Strategic Alliance promotes sale of LiquaForce manufactured and DIT branded High-Energy cattle feed products via a distribution agreement and the use of both RLF and LiquaForce products for use in DIT fertigation systems
- Leverages expertise from both organisations targeting other commercial opportunities such as Water Credit Programs and grant opportunities

RLF AgTech Ltd (ASX : RLF) (RLF or the **Company**), a leading Australian-based liquid fertiliser and plant nutrition technology company, is pleased to announce that it has entered into a binding Strategic Alliance Agreement with DIT AgTech Ltd (DIT) to collaborate in the development of mutually beneficial commercial opportunities utilising RLF's LiquaForce products via DIT's fertigation systems and distribution channels.

DIT is Australia's foremost livestock water supplementation system and productivity platform provider with a strong presence in Queensland, South Australia and the Northern Territory.

Gavin Ball, Acting Managing Director of RLF AgTech, commented:

“The Strategic Alliance with DIT AgTech is another significant achievement for RLF AgTech as we continue to expand our business into new and exciting areas. The combination of our expertise in plant nutrition and DIT's leadership in fertigation systems creates a powerful platform for growth. We are particularly excited about the potential for developing and contributing to sustainable farming initiatives that not only benefit the environment but also generate new revenue opportunities through environmental credits.”

The Strategic Alliance aims to combine the strengths of both companies to explore and develop new commercial opportunities that integrate DIT's fertigation systems with RLF's advanced nutrition products targeting the horticulture industry. This collaboration will also include investigation into the establishment of a Sustainable Farming Environmental Credit Program, focusing on NOx credits/offsets, water credits, and soil carbon credits.

As part of this alliance, DIT will enter into a distribution agreement with LiquaForce, a wholly-owned subsidiary of RLF, to purchase and sell LiquaForce's range of high-energy cattle feed products under the DIT brand. This agreement will enable DIT to leverage its existing market presence while promoting the sale of LiquaForce's high-quality products.

Both companies have agreed to support each other in accessing Water Credit Programs and other grant opportunities, and to secure additional funding to enhance the commercial outcomes of the alliance. Each party will provide the necessary resources and commitment to activities to further these objectives.

Strategic Rationale

This Strategic Alliance represents a significant step forward in RLF's commitment to expanding its market presence and exploring innovative business opportunities through collaboration. By aligning with DIT, RLF can leverage complementary expertise and resources, enhancing the value proposition for both companies. The Alliance is expected to drive growth in key markets, including horticulture and sustainable farming, while also opening new revenue streams through environmental credits and other initiatives.

Key Terms of the Strategic Alliance

- Scope of Collaboration:
 - Specific Commercial Ventures: RLF and DIT will collaborate on the development of products that integrate DIT's fertigation systems with RLF's nutrition products, specifically targeting the horticulture industry. This includes the creation of a Sustainable Farming Environmental Credit Program, incorporating NOx credits/offsets, water credits, and soil carbon credits.
 - Distribution: LiquaForce, a subsidiary of RLF, to distribute high-energy cattle feed products under the DIT brand.
 - General Collaboration: Both parties will work together on accessing Water Credit Programs and applying for grants, either jointly or individually, to support the projects under this alliance.
- Investment and Funding: Both parties will initially fund their own contributions to the Strategic Alliance projects. Future investments, including any necessary joint initial investment, will be mutually agreed upon. In the absence of third-party funding, the parties will share necessary funding on a 50:50 basis unless otherwise agreed.
 - Intellectual Property: Both parties will retain rights to their existing intellectual property and will have a non-exclusive, royalty-free licence to use each other's IP for the purposes of the Strategic Alliance projects. Any new IP developed during the alliance will be jointly owned, and its usage will be mutually agreed upon.

Next Steps

Develop Formal Agreements that will govern the ongoing partnership: both RLF and DIT will immediately begin working on progressing collaborative projects, which are expected to commence promptly with the first commercial outcomes anticipated within the next 12 months.

Term and Expiry: The agreement is set to expire upon the execution of the Formal Agreements or 12 months from the execution of Term Sheet (being 1 September 2025), whichever occurs first, unless extended by mutual agreement.

This announcement has been authorised for release by the Board of Directors of RLF AgTech Ltd.

For further information, please contact:

Gavin Ball
Acting Managing Director
RLF AgTech Ltd
T: +61 433 333 300
E: gball@rlfagtech.com

About RLF AgTech

RLF AgTech Ltd (ASX: RLF) is an Australian based global plant nutrition and carbon technology company that develops products to empower farmers, nourish people and restore the earth.

RLF combines plant science with advanced chemistry and manufacturing practices to produce high-quality plant nutrition products for commercial agriculture. RLF's Plant Proton Delivery Technology enables farmers to grow higher-yielding, better-quality, and more nutritious produce while supporting the plants' natural ability to store and reduce atmospheric carbon. In the years ahead, commercial agriculture is destined to play a significant role in sequestering carbon. RLF's technologies will support this, using its Accumulating Carbon in Soil System (ACSS) to help capture and store CO₂ by increasing the organic matter in the world's soils.

RLF has been operating in Asia since 2006 with long established manufacturing, sales and distribution facilities in China, and has recently expanded its activities in Australia with the acquisition of the LiquaForce liquid fertiliser manufacturing, sales and application business in Queensland.

The Company has recently obtained the right to operate, manufacture and sell RLF products in the Australian agricultural marketplace following the cessation of an exclusive distribution rights agreement previously held by an external party. This represents an opportunity for the Company to expand its business in Australia.

About DIT AgTech

We are Australia's leaders in livestock nutrient supplementation through water systems

DIT AgTech is an innovative Australian company leading the way in livestock nutrient supplementation through water-based delivery systems. Our mission is to empower farmers to boost the productivity and wellbeing of their livestock while promoting environmental sustainability. At DIT, we combine cutting-edge technology with a deep commitment to research and development, creating advanced IoT devices that make the supplementation process more efficient, cost-effective, and manageable for graziers.

Our patented water supplementation systems ensure precise and automatic nutrient delivery, reducing the need for manual labour and minimising supplement wastage. This technology allows farmers to maintain optimal livestock health and productivity all year round by ensuring consistent nutrient intake, even in challenging environments. DIT AgTech's products are supported by ongoing research and have been successfully tested on some of Australia's largest cattle stations.

DIT AgTech is at the forefront of agricultural sustainability, having pioneered Australia's first water-soluble supplements designed to reduce livestock methane emissions. Through collaborations with leading research institutions, such as Meat & Livestock Australia and CQUniversity, we are driving the future of climate-smart farming.

Operating with a strong presence in rural Australia, DIT AgTech is committed to building close, personal relationships with our clients, ensuring we meet their evolving needs. Our expansion across the country demonstrates our dedication to transforming the agriculture industry with innovative solutions that benefit both farmers and the planet.