

17 December 2024

ASX Announcement

Equity Raising and Debt Reduction/ Deferral

Key Highlights

- RLF to raise up to \$3.47m, comprising a Placement to sophisticated investors and an entitlement offer to existing Shareholders.
- The Placement will raise ~\$1.05m (before costs), with strong support from existing Shareholders and new investors.
- 35 million Placement Shares will be issued at \$0.03 per new share with one (1) free attaching option to be issued for every one (1) new share subscribed for. Options will be subject to Shareholder approval.
- The Entitlement Offer will seek to raise ~\$2.42m, on the basis of three (3) new shares for every ten (10) shares held, on the same terms as the Placement, being \$0.03 per new share with one (1) free attaching option to be issued for every one (1) new share subscribed for.
- Second Deed of Variation to the Aggregated Payables Deferral Agreement executed to reduce debt and further defer repayments.

Australian based, global plant nutrition company, RLF AgTech Ltd (RLF or the **Company**) (ASX: RLF) is pleased to announce that it has raised ~\$1.05m via a Placement to sophisticated investors (before costs), and that it intends to launch an Entitlements Offer to existing Shareholders to raise up to an additional \$2.42m (**Equity Raising**).

In addition, the Company has reached an agreement to partially reduce and further defer debt repayments due to commence in July 2025 (refer section on **Debt Management** below).

Equity Raising

RLF has raised ~\$1.05 million (before costs) from institutional, sophisticated and professional investors in a placement (**Placement**) by issuing approximately 35 million new shares at an issue price of \$0.03 per new share. Investors who participated in the Placement will also receive one (1) new option (exercise price of \$0.06 (6.0 cps) and an expiry date 24 months from issue) for every new share subscribed for.

The new shares will be issued under the Company's 15% placement capacity, and the options will be subject to Shareholder approval at a general meeting to be called in the near future.

RLF will offer existing eligible Shareholders the opportunity to participate in a three (3) for ten (10) non-renounceable rights issue (**Entitlement Offer**) on the same terms as the Placement, to raise up to ~\$2.42 million (before costs).

The Entitlement Offer will be made to eligible Shareholders registered at the Record Date on the basis of three (3) new shares for every ten (10) shares held at an issue price of \$0.03 per new share. Participants in the Placement will be eligible to participate in the Entitlement Offer. Eligible Shareholders will receive one (1) free attaching option (on the same terms as the options issued under the Placement) for every new share subscribed for.

The Company intends to seek quotation of the options issued under the Placement and Entitlements Offer subject to compliance with ASX Listing Rules.

Eligible Shareholders who apply for their full entitlement may also apply for additional securities under a top up facility. Any entitlements not taken up under the Entitlement Offer (or under the top up facility) will become shortfall securities. The Directors of the Company reserve the right at their discretion to place any shortfall securities within three months after the closing date of the Entitlement Offer (subject to the terms of the agreement with the Joint Lead Managers to the Placement and Entitlement Offer).

Sequoia Corporate Finance Pty Ltd and SP Corporate Advisory Pty Ltd are the Joint Lead Managers to the Placement and Entitlement Offer. The Joint Lead Managers are managing the Placement and placement of shortfall under the Entitlement Offer. The Joint Lead Managers will be paid 6% on the amount raised by the Placement and in respect of any shortfall securities under the Entitlements Offer that they place. The Joint Lead Managers received a once off retainer fee of \$10,000 (plus GST). Subject to Shareholder approval, the Joint Lead Managers will also be issued 5,000,000 options (on the same terms as the Placement options).

The Prospectus for the Entitlement Offer and the Notice of Meeting that contains the details of the time and venue for the general meeting will be provided to Shareholders in due course.

Uses of Fund

The Company intends to fund the following activities:

- Develop the Australian business by establishing a dedicated sales and support team, together with marketing and training systems set-up to support the Australian business;
- Funding the continued expansion of existing manufacturing facilities and raw materials costs; and
- Debt repayment and general working capital.

The indicative timetable for the Equity Raising is outlined in Appendix 1.

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Debt Management

The Company advises that it has entered into a Second Deed of Variation to the Aggregated Payables Deferral Agreement with Rural Liquid Fertilisers Pty Ltd) (Subject to Deed of Company Arrangement) (**RLFPL**) and RLF Global Pty Ltd (**RLF Global**) to reduce and defer the outstanding Deferred Debt owed by RLF or its subsidiaries to the two companies (**Second Deed of Variation Agreement**).¹

This Second Deed of Variation Agreement results in significant reductions in the amounts owed by the Company and provides for extended repayment terms on the remaining balances.

The key objectives of the Agreement are to:

- reduce the amount of the Deferred Debts owed by the Company and subsidiaries RLF China (HK) Limited (**RLFHK**) and Rural Liquid Fertilisers China (Kaifeng) Co. Limited (**RLF Kaifeng**) to RLF Global and RLFPL;
- reset the repayment dates and terms for the residual balance of the reduced Deferred Debts owed by the Company and subsidiaries RLFHK and RLF Kaifeng to RLF Global and RLFPL;
- establish a call option over the RLF AgTech shares held by RLFPL which enable the RLF AgTech shares to be sold to investors introduced by the Company; and
- enable International Fertilisers Pty Ltd (an entity related to Gavin Ball) to purchase RLFPL's 60% interest in RLF Global. International Fertilisers Pty Ltd owns the balance of 40% interest in RLF Global.

Summary of Amendments to the Agreement

Reduction and Repayment of Deferred Debts

1. Upfront Partial Payment:
 - RLF AgTech will procure a payment of \$100,000 within 4 days of completion of the Placement as a partial repayment of the Deferred Debts owed to RLFPL and keep the Second Deed of Variation Agreement in good standing.
2. Debt Reduction:
 - Deferred Debts will be reduced under two scenarios:

Scenario One

- If RLF AgTech makes repayment of \$531,542 (prior to 31 March 2025), in repayment for the Deferred Debts owed to RLF Global (being 30% of the current amount of the Deferred Debts owed to RLF Global), resulting in a reduction of \$1,240,265 (being 70% of the current amount of the Deferred Debts owed to RLF Global) and **RLFPL** will reduce the Deferred Debts by \$673,099 (being 30% of the current amount of the Deferred Debts owed to RLFPL).

This scenario results in the total reduction of the Deferred Debts owed by the Company of \$2,013,364 (including Upfront Partial Payment), leaving a remaining balance of \$1,470,565.

OR

¹ For more information on the Aggregated Payables Deferral Agreement and its first Deed of Variation, please refer to the Company's HY24 Half-year Financial Report dated 28 February 2024.

Scenario Two

- If the Scenario 1 repayment has not occurred on or before 31 March 2025, the Deferred Debts owed to both RLFPL and RLF Global will be reduced by 30%.

This scenario results in the reduction of the Deferred Debts owed by the Company of \$1,304,641 (including the Upfront Partial Payment), leaving a remaining balance of \$2,710,830.

Table – Summary of Debt Reduction

	Current Deferred Debt Owed	Scenario One Debt Owed	Scenario Two Debt Owed
RLFPL	\$2,243,664	\$1,470,565	\$1,470,565
RLF Global	\$1,771,807	\$ nil	\$1,240,265
Total	\$4,015,471	\$1,470,565	\$2,710,830
RLF AgTech Repayment		-\$531,542	\$nil
Debt Reduction		\$2,013,364	\$1,304,641

Revised Repayment Schedule:

- The remaining balance of the Deferred Debts will be repaid in 24 equal monthly instalments, commencing on 1 July 2028, with final payment due by 1 July 2030.

Interest Accrual:

- From 1 July 2025, any outstanding balance of the Deferred Debts will accrue interest at 5% per annum.
- Interest will accrue but will not compound, and will be paid following the full repayment of the principal amount.

This revised repayment schedule aligns with RLF AgTech's financial strategy, providing the Company with flexibility to manage its cash flow while ensuring a clear pathway for future debt settlement.

Call Option Over RLFPL Shares

As part of the Agreement, RLF AgTech has been granted a call option over 51,378,260 RLF AgTech shares currently held by RLFPL, enabling RLF AgTech to place these shares to third-party investors at a fixed price of AUD\$0.04 per share.

The call option may be exercised by RLF AgTech at any time up until 30 June 2027, and provides RLF AgTech with the flexibility to manage its equity structure, attract strategic investors, and potentially strengthen its Shareholder base.

Financial and Operational Impact

These amendments to the Deferred Payables reflect RLF AgTech's strategic focus on improving its financial flexibility, reducing debt, and aligning repayment obligations with future operational cash flows.

The Agreement also facilitates the Company's capital raising efforts, which are essential to fund growth initiatives and support Shareholder value.

The revised terms provide greater certainty for the Company while enabling RLF AgTech to maintain a disciplined approach to managing its financial obligations.

Update on the Australian Business

As part of the RLF AgTech Australian business operations, the Company is currently in ongoing negotiations with a number of Australian agricultural retail groups for sale of RLF AgTech products through their distribution chains. At the time of this announcement, no agreements have been finalised. The Company will provide updates accordingly.

Authorised for release by the Board of Directors of the Company.

For further information, please contact:

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Appendix 1 – Indicative Timetable of the Equity Raising

Event	Date ¹
Announcement of the Entitlement Offer and recommence trading	Tuesday, 17 December 2024
Lodgement of Prospectus with the ASIC	Wednesday, 18 December 2024
Lodgement of Appendix 3B for Placement and Entitlements Offer with ASX	Wednesday, 18 December 2024
Ex date	Monday, 23 December 2024
Settlement of new shares issued under the Placement	Monday, 23 December 2024
Record Date for the Entitlement Offer	Tuesday, 24 December 2024
Offer opening date, Prospectus sent out to eligible Shareholders and Company announces this has been completed	Friday, 27 December 2024
Last day to extend the Closing Date	Tuesday, 28 January 2025 (before noon Sydney time)
Closing Date as at 5:00pm	Friday, 31 January 2025
Securities quoted on a deferred settlement basis	Monday, 3 February 2025
Announcement of results of issue Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities issued under the Offer	Thursday, 6 February 2025 (before noon Sydney time)
<p>Note:</p> <p>1. All times are Australian Western Standard Time (AWST) unless otherwise stated and subject to change at the discretion of the Directors of the Company.</p>	

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About RLF AgTech Ltd (ASX: RLF)

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.

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