

28 February 2025

ASX Announcement

Appendix 4D and Half-year Financial Report for the Period ended 31 December 2024

RLF AgTech Ltd (ASX: RLF) is pleased to announce its results for the half-year ended 31 December 2024.

During the six-month period ended 31 December 2024 (**HY25**), RLF AgTech Ltd and its controlled entities (**Group**) achieved sales revenue of \$13.6 million, representing an increase of 249% compared to HY24 (\$3.90 million). This significant change was largely due to revenue from the Group's newly acquired LiquaForce business, which generated \$10.2 million in revenue in HY25.

The Group's gross profit increased by 135% to \$4.24 million. However, it should be noted that LiquaForce currently sells higher volume but lower margin types of products, compared to the lower volume-higher margin RLF products, resulting in the Group's combined gross margin falling from 46% for HY24 to 31% for HY25.

The Group achieved a profit before income tax of \$0.31 million for HY25. In December 2024, the Group completed a debt reduction. As a result, the Group booked a total of \$1.47 million in Other Income in HY25. Had the debt reduction not occurred, the Group would have reported a loss of \$1.16 million for HY25 (HY24: loss of \$2.66 million).

During HY25, the Group incurred costs in the following areas:

- the development of its Australian business including retaining of key personnel vital in operating the future Australian business, such as science and chemistry, production and business development skills;
- set up costs for producing RLF products in Ingham as well as staff training; and
- corporate restructuring costs

which amounted to approximately \$0.5 million in total.

Net cash flow from operating activities increased by 359%, which is the result of the inclusion of LiquaForce for the first time as well as higher customers' early-season prepayments in China. Combined with the successful placement of \$1.05 million, the Group cash balance as 31 December 2024 was \$5.41 million (HY24: \$2.85 million).

Enclosed are the Appendix 4D and the Half-year Financial Report for HY25, which should be read in conjunction with the Group FY24 Annual Report.

Authorised for release: Board of Directors, RLF AgTech Ltd

Further information: Gavin Ball, Acting Managing Director, T: +61 433 333 330, E: gball@rlfagtech.com



**Appendix 4D and
Half-Year Financial Report**
for the half-year ended 31 December 2024

**RLF AgTech Ltd (ACN 622 055 216)
and its Controlled Entities**

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Appendix 4D

Presented in accordance with ASX Listing Rule 4.2A.3

Reporting Period: Half-year ended 31 December 2024 (HY25)
Prior Corresponding Period: Half-year ended 31 December 2023 (HY24)

Results for announcement to the market

	6 months to 31/12/2024 \$'000	6 months to 31/12/2023 \$'000	% change
Revenues from ordinary activities	13,615	3,900	Up 249%
Profit/(Loss) from ordinary activities after tax	308	(2,658)	Up 112%
Total Comprehensive Income/(Loss) for the period	117	(2,482)	Up 105%

Please refer to the Directors' Report on pages 3 to 8 for commentary on results.

Net tangible assets per security

	31/12/2024 Cents	30/06/2024 Cents
Net tangible liability per ordinary security	(0.91)	(1.67)

Entities gained or lost of control over the period

During the Reporting Period, the Group gained control over the following entity:

- RLF Australia Pty Ltd – 12 September 2024 (newly registered)

There were no entities over which control was lost during the Reporting Period.

Joint Venture / Associate

The Group owns 49% of Rural Liquid Fertilisers (Thailand) Co., Ltd.

Dividends

No dividends were paid during the current or previous financial years and no dividends have been declared subsequent to the financial year end and up to the date of this report. There are no dividend or distribution reinvestment plans in operation.

Independent Review

This Appendix 4D is based on the attached Half-Year Financial Report, which has been reviewed by the Group's auditors, Moore Australia Audit (WA)(Moore). A copy of Moore's unqualified review report can be found on page 9.

Directors' Report

The Directors present herewith the Half-year Financial Report of RLF AgTech Ltd (**Company**) and its controlled entities (**RLF or the Group**) for the half-year ended 31 December 2024.

Directors

The names of the Directors of the Company during or since the end of the half-year are:

Name	Changes during HY25
Donald Evan McLay	None
Gavin Neil Ball	None
Liza Carpene	None
Paul Lawrence McKenzie	None
Shen Lu	None
Bendict James Barlow	Appointed 1 August 2024
Kenneth Graeme Hancock	Removed 26 July 2024

Operating and Financial Review

Overview

During HY25, the Group has been executing its Strategic Plan that was announced in July 2024 and embarking on a strategic transformation designed to strengthen operational efficiency, expand market reach, and drive the Company towards profitability. Since June 2024, significant management changes have been implemented to rebuild the business by recruiting new personnel, refocusing on core revenue-producing activities, and addressing legacy issues and conflicts of interest.

Review of Operations

Establishing Australian Operations

On 6 August 2024, the Company terminated its previous Australian Distribution Agreement that had granted exclusive manufacturing and sales rights to a third party (excepting Queensland, removed in May 2024 to facilitate the acquisition of LiquaForce assets). This termination enabled the Group to regain full control over production and sales in Australia. To capitalise on this opportunity, a dedicated trading entity, RLF Australia Pty Ltd was established.

Sales Model and Market Approach

RLF intends to sell its products through established networks of agricultural retail distributors, a strategy that leverages existing distribution and support systems to rapidly expand sales. Currently, the Australian agricultural retail market comprises approximately 1,300 physical outlets, including around

600 large outlets (eg. Nutrien and Elders), 700 medium-sized outlets, and several smaller, agency-based distributors. The Company's objective is to secure formal distribution agreements to represent, promote, and sell RLF products throughout Australia.

Key advantages of this approach include:

- Enhancing the range and availability of liquid crop nutrition products in retail outlets.
- Adding value, by complementing crop protection chemicals (ie. pesticides, herbicides, and fungicides) used concurrently in tank mixes, thereby improving product efficacy and providing enhanced plant protection.
- Demonstrating a proven track record of improved yields, thereby offering farmers a compelling financial business case and return on investment.

A significant development in this strategy was the signing of the first distribution agreement with NRI on 16 January 2025¹. With a network of 152 locations nationwide, NRI offers RLF AgTech access to key agricultural regions and a trusted market presence. The roll-out of RLF training, marketing, and sales materials within the NRI network is well underway.

Australian Product Range and Market Potential

The initial product offering for the Australian market comprises 16 key RLF products. Among these is the comprehensive RLF AgTech Crop Performance Pack, a complete crop nutrition program tailored to meet the specific nutrient requirements at various stages of crop growth. In addition, the IntelliTrace range addresses specific nutrient deficiencies with a high-efficiency, 100% sodium-free formulation that mixes readily with most other agricultural chemicals.

The Company is well positioned to capitalise on the significant market potential within Australia. Growth in the specialty fertilisers segment is being driven by a need to reduce reliance on conventional fertilisers while achieving higher crop yields with a lower environmental impact.

China Business

China remains a key market with the Group focussing on consolidating operations, expanding market presence, and driving sustainable growth in the region.

During the six-month period, the China Business achieved sales revenue that exceeded budget expectations by approximately 12%. Gross profit margin reached around 43%, well above the budgeted target of 35%.

RLF continued its effort of on-farm demonstration trials in China. During the six-month period, RLF China completed 199 product demonstrations and organised 175 promotional meetings. These initiatives have been pivotal in verifying product performance, building client confidence, and supporting market expansion.

¹ Refer ASX Announcement 16 January 2025.

RLF's team in China hosted its annual product launch event in Hefei Province in December 2024, attracting nearly 100 key distributor clients and large-scale farmers. At the event, two new products – Neutral 12-Foliar and Power N33 – were introduced.

LiquaForce Business

In Queensland, farmers experienced one of the wettest seasons on record resulting in a significant portion of the sugarcane crop remaining unharvested. As a result, LiquaForce' business performance was understandably below expectations due to forces outside of their control. The outlook for LiquaForce under normalised meteorological conditions remains strong.

Looking ahead, and for the first time, LiquaForce will have access to the full range of RLF products enabling it to target market segments beyond its traditional focus on sugarcane. Similarly, LiquaForce will integrate its products into the broader RLF Australian distribution model, allowing a wider group of agricultural distributors to offer these solutions to their clients. LiquaForce will continue its direct-to-farm sales as well as exploring opportunities to maximise facility utilisation through toll-manufacturing services and manufacturing for third-party suppliers.

Asia Business

Vietnam

Since acquiring the LiquaForce Business, the Company has upgraded the manufacturing plant in Ingham, Queensland to supply product for its customers in Vietnam, resulting in better than expected gross profit margins.

During HY25, RLF's team in Vietnam participated in farmer and dealer meetings, as well as other training and promotional events, reinforcing its relationship with the four active distributors in the region.

The 12-month Durian Trial in Vietnam concluded with the final report released on 23 October 2024. The trial demonstrated a significant increase in fruit yields and marked improvements in tree growth and development. The full report is available at www.rlfagtech.com/durianreport.

In parallel, RLF is preparing an extensive trial program for coffee. A 2,000m² demonstration farm project is set to commence in March 2025, aimed at evaluating the RLF Coffee Nutrition Program. As coffee is a vital crop in the region, with Robusta and Arabica cultivating over an estimated 600,000 hectares, the program will focus on resolving issues related to non-uniform ripening by assessing products that enhance recovery, growth, flowering, fruiting, and ripening uniformity.

Cambodia

The Company secured a new order for RLF products, with the first delivery being manufactured and shipped from our China facility. The local distributor continues to actively promote the RLF range through

regular dealer meetings and field trials that have successfully demonstrated positive outcomes. This year, the Company introduced new products into this market which are being received well, generating early positive feedback.

Other Markets

The Company is also progressing with early-stage market development initiatives in India, Korea, and Japan. Registration approvals are pending in the Philippines, and distributor negotiations are ongoing in Malaysia, further broadening the Company's international footprint.

Board Appointment

On 1 August 2024, the Board announced the appointment of Mr Ben Barlow as a Non-Executive Director. Mr Barlow brings a distinguished track record from his previous role as Managing Director and shareholder of New Edge Microbials, a leading producer of nitrogen-fixing bacteria, and his ongoing involvement with the Australian Wool Network. Working closely with Acting Managing Director Gavin Ball, Mr Barlow has played a critical role in implementing the strategic restructuring initiatives that underpin the Company's future growth.

Review of Financial Conditions

Debt Restructuring

On 16 December 2024, the Group entered into a Deed of Variation (**Second Deed**)² to, among other things, reduce and further defer the deferred debt that was owed by the Group (**Deferred Debt**). The Deferred Debt was a legacy issue relating to unpaid fees prior to the IPO of the Group.

This restructuring has provided significant financial benefits, reducing the outstanding deferred debt from approximately \$4.02 million to an estimated \$2.81 million, a combined saving in this period of approximately \$1.21 million.

For HY25, the Group booked a total amount of ~\$1.47 million in Other Income as a combined result of debt forgiveness (\$1.20 million) and foreign exchange gain (\$0.27 million) by converting the USD debt into AUD.

The Second Deed also defers the Group's obligation to start repaying the remaining debt from 1 July 2025 and payable over a 20-month period to 1 July 2028 and, payable over a 24-month period. Interest on the outstanding principal will accrue at 5% per annum from 1 July 2025, payable upon full repayment.

Further details can be found in notes 4 and 13 of the Half-Year Financial Report.

² Refer to ASX Announcement dated 17 December 2024.

Capital Raising

In December 2024, the Group successfully raised \$1.05 million via a placement and subsequently raised another \$2.42 million in February 2025 via Entitlement Issue and Shortfall Placement.

Group's HY25 Financial Performance

For HY25, the Group's sales revenue was \$13.6 million, representing an increase of 249% compared to HY24 (\$3.90 million). This significant change was largely due to revenue from the Group's newly acquired in May 2024, LiquaForce subsidiary, which generated \$10.2 million in revenue for HY25.

Group gross profit increased by 135% to \$4.24 million. LiquaForce's lower gross margins resulted in a fall for in the Group from 46% for HY24 to 31% for HY25.

As a result of the Debt Restructuring outlined above, which generated \$1.47 million in Other Income in HY25 (see note 4 for detail), based on a \$1.20 million write-back of expenses previously incurred and a foreign exchange gain of \$0.27 million, the Group produced a profit before income tax of \$0.31 million for the period. Had the Debt Restructuring not occurred, the Group would have reported a loss of \$1.16 million for HY25 (HY24: loss of \$2.66 million), representing a reduction of loss for the period of 56%.

Net cash flow from operating activities increased 359% as a result of the inclusion of LiquaForce for the first time as well as higher customers' early-season prepayments in China. Net cash flow for HY25 amounted to \$2.18 million from operating activities, compared with a negative -\$0.84 million in HY24. Combined with its successful equity placement of \$1.05 million, the Group cash balance as at 31 December 2024 amounted to \$5.41 million (HY24: \$2.85 million).

Historically, the Group's revenue from China and Asia was skewed to the second half of the financial year due to the northern hemisphere growing season. The acquisition of LiquaForce has now balanced that outcome through exposure to the southern hemisphere's growing season. This will increase further with contribution from the Australian distribution business.

Events after the Reporting Period

On 16 January 2025, the Company announced that it signed a strategic Trading Agreement with National Rural Independent Ltd (**NRI**), a rural distribution group providing farm inputs and speciality services for the broadacre and horticulture markets across Australia with 152 stores. RLF is working closely with NRI to promote RLF products, which could potentially lead to revenue growth for the Group.

On 7 and 12 February 2025, the Company announced the completion of its Entitlement Issue and its Shortfall Placement respectively. The Company raised a total of ~\$2.42 million (before costs), which has significantly improved the Group's cash balance.

Other than stated above, there has been no matter or circumstance that has arisen since 31 December 2024 and has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 9 of the Half-Year Financial Report.

Rounding off of amounts

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Gavin Ball

Acting Managing Director
Perth, 28 February 2025

Auditor's Independence Declaration



Moore Australia Audit (WA)

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RLF AGTECH LTD

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2024, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'Wen-Shien Chai'.

WEN-SHIEN CHAI
PARTNER

A handwritten signature in blue ink, appearing to read 'Moore Australia'.

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2025.

Independent Auditor's Review Report



Moore Australia Audit (WA)

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RLF AGTECH LTD

Conclusion

We have reviewed the accompanying half-year financial report of RLF AgTech Ltd (the Company) and its controlled entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policy information and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements 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 2 in the half-year financial report, which indicates that the Group had a net profit of \$308,000 during the half-year ended 31 December 2024 and, as of that date, the Group had net current liabilities of \$2.04 million. This indicates the existence of a material uncertainty 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 Half-Year 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 (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RLF AGTECH LTD (CONTINUED)**

Auditor's Responsibility for the Review of the Half-Year 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 anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and
- ii. 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 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.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2025.

Directors' Declaration

The Directors declare that, in the Directors' opinion:

- 1) the attached consolidated financial statements and notes are in accordance with the Corporations Act 2001, including:
 - a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and 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*; and
- 2) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Gavin Ball

Acting Managing Director

Perth, 28 February 2025

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Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

		Consolidated Half-year ended	
		31/12/2024	31/12/2023
		\$'000	\$'000
	Note		
Continuing operations			
Sales		13,615	3,900
Cost of sale of goods		(9,372)	(2,092)
Gross profit		4,243	1,808
Other income	4	1,911	214
Sales and marketing expenses	5	(2,332)	(1,595)
Corporate expenses	6	(2,496)	(2,519)
R&D expenses		(268)	(284)
Depreciation and amortisation expenses		(513)	(126)
Share based payment expenses		-	(50)
Finance costs		(237)	(112)
Profit/(Loss) before income tax		308	(2,664)
Income tax expense		-	6
Profit/(Loss) for the period from continuing operations		308	(2,658)
Other comprehensive income for the period			
<i>Items that may be classified to profit or loss</i>			
Foreign exchange differences on translation of foreign operations		(191)	176
Total comprehensive income/(loss) for the period		117	(2,482)
Profit/(Loss) attributable to:			
- Owners of the parent		308	(2,658)
- Non-controlling interests		-	-
		308	(2,658)
Total comprehensive income/(loss) attributable to:			
- Owners of the parent		117	(2,482)
- Non-controlling interests		-	-
		117	(2,482)
Earnings per share			
Basic earnings/(loss) per share in cents	11	0.13	(1.43)
Diluted earnings/(loss) per share in cents	11	0.13	(1.43)

Condensed consolidated statement of financial position

as at 31 December 2024

		Consolidated	
		31/12/2024	30/06/2024
		\$'000	\$'000
	Note		
Current Assets			
Cash and cash equivalents		5,409	4,525
Trade and other receivables		1,713	1,480
Inventories	7	4,324	3,437
Other current assets		379	367
Total Current Assets		11,825	9,809
Non-Current Assets			
Trade and other receivables		30	62
Right-of-use assets		1,210	1,536
Property, plant and equipment	8	3,882	3,981
Intangible assets	9	7,314	7,314
Total Non-Current Assets		12,436	12,893
Total Assets		24,261	22,702
Current Liabilities			
Trade and other payables		5,112	3,689
Contract liabilities		5,865	4,892
Borrowings		1,879	2,208
Lease liabilities		559	647
Provisions		453	386
Total Current Liabilities		13,868	11,822
Non-Current Liabilities			
Trade and other payables		2,072	4,048
Borrowings		2,711	2,354
Lease liabilities		722	942
Provisions		10	8
Total Non-Current Liabilities		5,515	7,352
Total Liabilities		19,383	19,174
Net Assets		4,878	3,528
Equity			
Share capital		21,037	19,804
Reserves	10	5,063	5,254
Accumulated losses		(21,222)	(21,530)
Total Equity		4,878	3,528

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2024

Consolidated	Share capital \$'000	Share Based Payments Reserve \$'000	Group Reorganisation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance as at 1 July 2024	19,804	1,812	4,969	(1,527)	(21,530)	3,528
Profit/(Loss) after income tax for the year	-	-	-	-	308	308
Other comprehensive income/(loss)	-	-	-	(191)	-	(191)
Total comprehensive income/(loss) for the year	-	-	-	(191)	308	117
Issue of ordinary shares	1,231	-	-	-	-	1,231
Cost of issue of ordinary shares	(78)	-	-	-	-	(78)
Equity settled share-based payments	80	-	-	-	-	80
Total transactions with owners and other transfers	1,233	-	-	-	-	1,233
Balance as at 31 December 2024	21,037	1,812	4,969	(1,718)	(21,222)	4,878
Balance as at 1 July 2023	17,197	1,904	4,969	(2,094)	(13,510)	8,466
Profit/(Loss) after income tax for the half-year	-	-	-	-	(2,658)	(2,658)
Other comprehensive income/(loss)	-	-	-	176	-	176
Total comprehensive income/(loss) for the period	-	-	-	176	(2,658)	(2,482)
Balance as at 31 December 2023	17,197	1,904	4,969	(1,918)	(16,168)	5,984

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2024

	Consolidated Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	14,824	6,376
Payments to suppliers and employees	(13,049)	(7,600)
Government grants and tax incentives received	402	385
Net cash from/(used in) operating activities	2,177	(839)
Cash flows from investing activities		
Payments for property, plant and equipment	(247)	(295)
Payments for intangible assets	-	(421)
Payments for LiquaForce Acquisition	(750)	-
Net cash (used in) investing activities	(997)	(716)
Cash flows from financing activities		
Proceeds from Capital Raising	1,151	-
Capital raising costs	(78)	-
Proceeds from loans and borrowings	210	756
Repayments of loans and borrowings	(878)	(301)
Interest and other finance costs paid	(235)	(138)
Lease Payments	(308)	(122)
Net cash (used in)/from financing activities	(138)	195
Net increase/(decrease) in cash and cash equivalents	1,042	(1,360)
Cash and cash equivalents at the beginning of the period	4,525	4,259
Effects of exchange rate changes	(158)	(54)
Cash and cash equivalents at the end of the period	5,409	2,845

The accompanying notes form an integral part of the condensed financial statements.

Notes to the condensed consolidated financial statements

1. General information

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with IFRS Accounting Standard *IAS 34 Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.³

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's Annual Report for the year ended 30 June 2024 (ASX announcement: 30 September 2024). The accounting policies are consistent with Australian Accounting Standards and with IFRS Accounting Standards.

Rounding off of amounts

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Half-year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

2. Going concern

The Half-Year Financial Report for HY25 was prepared on a going concern basis, which contemplates the continuity of the normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group's condensed consolidated financial statements show that the Group has a profit before tax of \$0.31 million. However, the profit was mainly due to the debt reduction related other income of \$1.47 million. Had there been no debt reduction, the Group would have incurred a loss of \$1.16 million.

³ ASX Announcement: 30 September 2024.

As at 31 December 2024, the Group had a net current liability (Current Assets minus Current Liabilities) of \$2.04 million.

These financial metrics indicate a significant uncertainty as to whether the Group will continue as a going concern, and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

However, the Directors are of the opinion that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after taking into consideration the following factors:

- (i) The Group has successfully raised approximately \$3.47 million (before costs) in December 2024 and February 2025 and the Directors have a history of successful capital raisings and securing alternative sources of funding to continue with operations.
- (ii) The Group regained the Australian distribution rights of its products in August 2024 and has subsequently signed a distribution agreement with National Rural Independent Ltd (NRI) in January 2025 to promote and distribute RLF products through its 152 stores Australia wide.

Therefore, the Directors believe that it is appropriate to adopt the going concern basis in the preparation of the Half-Year Financial Report.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

3. Operating segments

RLF's principal business activities are formulation, manufacturing and sale of liquid fertilisers. The Group has classified its operating segments by the geographical areas where RLF's products and services are sold and provided respectively. Acting Managing Director, who is identified as the Chief Operating Decision Maker, on at least a monthly basis, reviews the discrete financial information from the reportable segments.

(i) Segment financial performance

	<i>Half-year ended 31/12/2024</i>	
	Revenue	Net Profit before Tax
	\$'000	\$'000
China	3,025	725*
SE Asia	405	89
Australia	10,185	(506)
Total	13,615	308

Note:

* The Debt Restructuring increased the net profit before tax for China Business by \$1.38 million.

	<i>Half-year ended 31/12/2023</i>	
	Revenue	Net Profit before Tax
	\$'000	\$'000
China	3,504	(940)
SE Asia	396	201
Australia	-	(1,925)
Total	3,900	(2,664)

(ii) Segment assets and liabilities

As at 31/12/2024	China \$'000	SE Asia \$'000	Australia \$'000	Total \$'000
Segment Assets	7,958	52	16,251	24,261
Segment Liabilities	(9,637)	-	(9,746)	(19,383)
Net Assets	(1,679)	52	6,505	4,878
 As at 30/06/2024	 China \$'000	 SE Asia \$'000	 Australia \$'000	 Total \$'000
Segment Assets	7,017	31	15,654	22,702
Segment Liabilities	(8,863)	-	(10,311)	(19,174)
Net Assets	(1,846)	31	5,343	3,528

4. Other Income

	Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
Debt forgiveness	1,205	-
Government grant	401	184
Realised gain on foreign exchange	274	-
Interest	2	2
Other	29	28
Total Other Income	1,911	214

On 17 December 2024, the Company announced that the Group signed the Second Deed of Variation to the Aggregated Payables Deferral Agreement (**Second Deed**) to, among other things, reduce and further defer the deferred debt that was owed by the Group (**Deferred Debt**).

Prior to signing the Second Deed, the Group owed:

- USD 2,544,702; and
- AUD 39,374.

The Second Deed converts all Deferred Debt in USD into AUD at an exchange rate of AUD 1 = USD 0.64. The USD to AUD conversion resulted a realised gain on foreign exchange of \$274,408.

The Group has made the payment of \$100,000 in accordance with the Second Deed, resulting a debt forgiveness of \$1,204,641, which has been treated as an item in Other Income.

5. Sales and Marketing Expenses

	Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
Advertising and promotion expenses	289	372
Sales personnel expenses	1,080	540
Transportation, product delivery and travel expenses	858	667
Other	105	16
Total	2,332	1,595

6. Corporate Expenses

	Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
Business Development- new market expansion	66	308
Corporate overhead	996	1,116
Salary & Director fees and on-costs	1,434	1,095
Total	2,496	2,519

7. Inventories

	31/12/2024	30/06/2024
	\$'000	\$'000
Raw material	2,068	1,374
Finished goods	253	479
Work in progress	2,003	1,584
Total	4,324	3,437

8. Property, Plant and Equipment

	Motor vehicles \$'000	Office equipment \$'000	Plant & equipment \$'000	Electronic equipment \$'000	Total \$'000
Balance at 1 July 2024	226	18	3,735	2	3,981
Additions	7	-	209	7	223
Depreciation expense	(23)	(5)	(294)	(2)	(324)
Foreign currency translation difference	(1)	(1)	3	1	2
Balance at 31 December 2024	209	12	3,653	8	3,882

	Motor vehicles \$'000	Office equipment \$'000	Plant & equipment \$'000	Electronic equipment \$'000	Total \$'000
Balance at 1 July 2023	27	8	467	3	505
Additions	217	14	3,424	-	3,655
Disposals	(4)	-	-	-	(4)
Depreciation expense	(13)	(4)	(157)	(1)	(175)
Foreign currency translation difference	(1)	-	1	-	-
Balance at 30 June 2024	226	18	3,735	2	3,981

9. Intangible Assets

	31/12/2024 \$'000	30/06/2024 \$'000
Goodwill		
At cost	1,207	1,207
Impairment	-	-
	1,207	1,207
Intellectual Property and Distribution Rights		
At cost	6,107	6,107
Impairment	-	-
	6,107	6,107
Soil Carbon Projects		
At cost	964	964
Impairment	(964)	(964)
	-	-
Total Intangible Assets	7,314	7,314

	6 months ended 31/12/2024 \$'000	12 months ended 30/06/2024 \$'000
Movement in carrying amounts		
Goodwill		
Carrying amount at beginning of the period/year	1,207	-
Additions	-	1,207
Carrying amount at the end of the period/year	1,207	1,207
Intellectual Property and Distribution Rights		
Carrying amount at beginning of the period/year	6,107	6,107
Additions	-	-
Carrying amount at the end of the period/year	6,107	6,107
Soil Carbon Projects		
Carrying amount at beginning of the period/year	-	441
Additions	-	523
Impairment	-	(964)
Carrying amount at the end of the period/year	-	-
Total Intangible Assets	7,314	7,314

10. Reserves

	31/12/2024	30/06/2024
	\$'000	\$'000
Foreign Currency Translation Reserve	(1,718)	(1,527)
Group Reorganisation Reserve	4,969	4,969
Share Based Payments Reserve	1,812	1,812
Total	5,063	5,254

11. Earnings per share

	Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
(a) Reconciliation of profit/(loss) used in calculating earnings per share		
Profit/(Loss) attributable to the ordinary equity holders used in calculating basic earnings per share and diluted earnings per share	308	(2,658)
(b) Weighted average number of shares used as the denominator	31/12/2024	31/12/2023
	Number	Number
Ordinary shares used as the denominator in calculating basic earnings per share	233,964,646	185,708,392
Ordinary shares used as the denominator in calculating diluted earnings per share	241,181,804	218,302,682
(c) Earnings per share	Half-year ended	Half-year ended
	31/12/2024	31/12/2023
	Cents	Cents
Basic earnings/(loss) per share	0.13	(1.43)
Diluted earnings/(loss) per share	0.13	(1.43)

12. Contingencies

The Group disclosed, in Note 30 of its FY24 Annual Report, that on 26 July 2024, the Company's former Managing Director and CEO, Kenneth Hancock and Huntington Investment Pty Ltd as trustee of the Constellation Trust (an entity related to Mr Hancock through which consulting services of Mr Hancock were provided to the Company) commenced proceedings in the Supreme Court of Western Australia against the Company.

Such proceedings included a claim that the Company invalidly terminated the agreement under which the consulting services were provided.

The Company confirms that the claim against the Company is ongoing and the Company continues to vigorously defend these proceedings; and for the purposes of AASB 137, the Group views that the possibility of an outflow of resources embodying economic benefits is remote.

13. Related party disclosures

Note 26 of the Group's FY24 Annual Report sets out the detailed information in relation to this matter. During HY25, the significant changes were as follows:

Aggregated Payables Deferred Agreement

On 17 December 2024, the Company announced that 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**).

The key objectives of the Second Deed of Variation are:

- a) reduce the amount of the deferred payables owed by the Group to RLFPL and RLF Global;
- b) defer first payment date of the remaining deferred payables from 1 July 2025 to 1 July 2028;
- c) establish a call option over the Company's shares held by RLFPL, which enable the Company shares to be sold to investors introduced by the Company; and
- d) enable International Fertilisers Pty Ltd to purchase RLFPL's 60% interest in RLF Global. International Fertilisers Pty Ltd owns the balance of 40% interest in RLF Global.

The Company's Acting Managing Director, Gavin Ball, is a related party to both RLF Global and International Fertilisers Pty Ltd under AASB 124 para. 9.

Details of the transactions in relation to the Second Deed of Variation are included in Note 4 of this Half-Year Financial Report.

Key management personnel

Remuneration arrangements of key management personnel are disclosed in the Group's FY24 Annual Report. On 1 August 2024, Mr Ben Barlow was appointed as Non-Executive, Independent Director of the Company. Mr Barlow's director's fee \$60,000 per annum, which is in line with the Directors' remuneration as set out in the Remuneration Report of the FY24 Annual Report.

Cessations

During HY25, Rural Liquid Fertilisers Pty Ltd (Subject to Deed of Company Arrangement) was no longer classified as a related party as defined in accordance with AASB 124 para. 9.

During HY25, the Group ended Australian Distribution Agreement, Toll Manufacturing Agreement and Office Services Agreement with RLFPL. Details of the three agreements can be found in the Group's FY24 Annual Report.

Summary of related party transactions during HY25

	Half-year ended	
	31/12/2024	31/12/2023
	\$'000	\$'000
Revenue	-	-
Product manufacturing	-	(200)
Other expenses and reimbursements	-	(112)
Total	-	(312)

	31/12/2024	30/06/2024
	\$'000	\$'000
Trade receivables	-	122
Other receivables	-	120
Trade payables - current	(262)	(119)
Trade payables - non-current	(2,711)	(4,025)
Total	(2,973)	(3,902)

Other than as stated above, there have been no significant changes since 30 June 2024, which is the end of the Group's last annual reporting period.

14. Events after the Reporting Period

On 16 January 2025, the Company announced that it signed a strategic Trading Agreement with National Rural Independent Ltd (**NRI**), a rural distribution group providing farm inputs and speciality services for the broadacre and horticulture markets across Australia with 152 stores. RLF is working closely with NRI to promote RLF products, which could potentially lead to revenue growth for the Group.

On 7 and 12 February 2025, the Company announced the completion of Entitlement Issue and its Shortfall Placement respectively. The Company raised a total of ~\$2.42 million (before costs), which has significantly improved the Group's cash balance.

Other than stated above, there has been no matter or circumstance that has arisen since 31 December 2024 and has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Corporate Directory

Directors

Donald Evan McLay
Gavin Neil Ball
Shen Lu
Liza Carpene
Paul Lawrence McKenzie
Benedict James Barlow

Chairman of the Board, Independent
Acting Managing Director
Executive Director and CEO, Asia
Non-Executive Director, Independent
Non-Executive Director, Independent
Non-Executive Director, Independent

Secretary

Zaiqian Zhang

Registered Office

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Share Registry

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Level 5, 191 St Georges Terrace
Perth, Western Australia 6000
Email: hello@automicgroup.com.au

Auditor

Moore Australia Audit (WA)

Stock Exchange Listing

RLF AgTech Ltd ordinary shares are listed on the Australian Securities Exchange under the ticker code "RLF".

Website

www.rlfagtech.com