

17 April 2022

### **Statement of Confirmations**

RLF AgTech Limited (ACN 622 055 216) (**Company** or **RLF**) confirms that all conditions precedent to the initial public offer (**Offer**) under the Company's replacement prospectus dated 24 February 2022 (**Prospectus**) have been satisfied.

The Company has issued 42,510,000 Shares under the Public Offer to raise \$8,502,000.

Capitalised terms in this announcement have the same meaning given under the Replacement Prospectus.

The Company confirms:

- a) the Offer under the Prospectus closed on 12 April 2022 and that issue of the Shares subscribed for under the Prospectus (as detailed above) has been completed; and
- b) a total of 42,510,000 shares have been issued under the Replacement Prospectus.

### **Issue of Securities**

In addition to the above, the Company confirms the issue of the following:

Securities	Number
Shares issued upon conversion of the Convertible note and interest	22,373,755
Options issued to the Lead Manager (or its nominee/s) exercisable at \$0.30 on or before 3 years from the date of issue	7,000,000
Options issued to the former consultant (or its nominee/s) exercisable at \$0.30 on or before 3 years from the date of issue	500,000

### **Use of funds**

The Company confirms the statements of commitments as contained within the Prospectus based on the \$8,502,000 raised is set out below:

IPO / '000s	YEAR 1	YEAR 2	TOTAL	%
Sales and Marketing	2,100	2,010	4,110	48%
Carbon	450	450	900	11%
Manufacturing PPE	400	150	550	6%
Corporate	870	270	1140	13%
Working Capital	620	192	812	10%
IPO expenditure	990	-	990	12%
<b>Total</b>	<b>5,430</b>	<b>3,072</b>	<b>8,502</b>	<b>100%</b>

## Restricted Securities

The Company confirms that following quotation of the Company's securities on the ASX, the following securities will be subject to restriction pursuant to the ASX Listing Rules for the period outlined below.

Class	Number	Restriction Period
Shares	94,050,065	24 months from date of quotation
Shares	11,579,723	12 months from date of issue
Options (\$0.54 on or before 5 years from issue)	17,694,444	24 months from date of quotation
Performance Rights	6,000,000	24 months from date of quotation
Deferred Consideration Shares	24,375,000	24 months from date of quotation
Nominees of the Lead Manager Options (\$0.30 on or before 3 years from issue)	7,000,000	24 months from date of quotation
Consultant Options (\$0.30 on or before 3 years from issue)	500,000	24 months from date of quotation

## Capital Structure

The Company confirms that its capital structure on listing is:

Capital Structure	Shares	Options <sup>1</sup>	Performance Rights <sup>2</sup>	Deferred Consideration Shares <sup>3</sup>
Securities on issue as at date of Prospectus	120,049,523	14,444,444	6,000,000	24,375,000
Securities issued pursuant to the Offer	42,510,000	-	-	-
Securities issued upon Convertible Note conversion	22,373,755	-	-	-
Options issued to nominees of the Lead Manager (\$0.30)	-	7,000,000	-	-
Options issued to Management and Directors (\$0.54)		4,250,000		
Options issued to Consultant (\$0.30)	-	500,000	-	
<b>TOTAL</b>	<b>184,933,278</b>	<b>26,194,444</b>	<b>6,000,000</b>	<b>24,375,000</b>

### Notes:

1. The terms of the options are set out in section 13.2 of the Replacement Prospectus and includes the \$0.30 and \$0.54 exercise priced options.
2. The terms of the performance rights are set out in section 13.3 of the Replacement Prospectus
3. The terms of the deferred consideration shares are set out in section 13.4 of the Replacement Prospectus

## Updated Pro-Forma Balance Sheet (Based on the actual amounts raised under the Offer)

An updated pro-forma balance sheet is set out in Annexure A.

## ASX Waivers and Confirmations

### Waiver Decision

1. Based solely on the information provided, ASX Limited ('ASX') grant RLF AgTech Limited (the 'RLF') a waiver from listing rule 1.1 condition 12 to the extent necessary to permit RLF to have on issue 6,000,000 performance rights to be issued to directors of RLF ('Performance Rights') with a nil exercise price on condition that the material terms and conditions of the Performance Rights are clearly disclosed in RLF's initial public offering prospectus ("Prospectus").

2. ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to RLF's compliance with other listing rules.

### Basis for Waiver Decision

## Listing Rule 1.1 condition 12

3. If an entity seeking admission to the official list has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports listing rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

### Facts and Reasons for granting the waiver

4. In the present case, the number of Performance Rights will represent approximately 3.1% of the ordinary shares on issue at the time of RLF's admission on an undiluted basis. The Performance Rights are fixed in number and will be held by Directors and are therefore unlikely to have any impact on the trading price of RLF's shares. The Performance Rights will convert into ordinary shares in RLF on a one-for-one basis on the vesting date, being the achievement of the milestone.

5. It is considered that the existence of the Performance Rights will not undermine the existence of the 20 cent rule in the circumstances. The waiver is granted on the basis that the material terms and conditions of the Performance Rights are clearly disclosed in RLF's Prospectus.

### Confirmation Decision

#### Listing Rule 6.1

1. Based solely on the information provided, ASX Limited ("ASX") confirms to RLF AgTech Limited (the "RLF") that the terms of 6,000,000 performance rights proposed to be issued to the directors of RLF and 24,375,000 deferred consideration shares to be issued to RLF Liquid Fertilizers Pty Ltd ("RLF Australia") and RLF Global Pty Ltd ("RLF Global") ("Performance Securities") are appropriate and equitable for the purposes of Listing Rule 6.1 subject to the following conditions:

1.1. The Prospectus contains the following details in respect of the Performance Securities:

1.1.1. The party or parties to whom the Performance Securities are to be issued and the number of Performance Securities to be issued to them or each of them;

1.1.2. Any relationship the recipient of the Performance Securities or an associate of the recipient has with the entity

1.1.3. in respect of the Performance Securities to be issued to the directors of RLF;

(a) details of the role (if any) the directors will play in meeting the respective performance milestones;

(b) details of the existing total remuneration package of the directors;

(c) If the directors or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;

(d) an explanation why it is considered necessary or appropriate to further remunerate or incentivise the directors to achieve the applicable performance milestone;

(e) details of how RLF determined the number of Performance Securities to be issued to the directors and why it considers that number to be appropriate and equitable.

1.1.4. In respect of those Deferred Consideration Shares to be issued to RLF Australia and RLF Global:

- (a) A statement that the Deferred Consideration Shares are being issued in connection with the acquisition agreement between RLF, RLF Australia and RLF Global;
- (b) an explanation why the Deferred Consideration Shares are being issued in connection with the acquisition including the commercial goals RLF is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestones;
- (c) details of the undertaking to be acquired;
- (d) details of the vendor(s) from whom RLF is acquiring the undertaking and their respective ownership interests in the undertaking;
- (e) details of how the entity determined the number of Deferred Consideration Shares to be issued to RLF Australia and RLF Global and why it considers that number to be appropriate and equitable; and
- (f) of any of the Deferred Consideration Shares are being issued to someone who does not have an ownership interest in the undertaking being acquired, or if the Deferred Consideration Shares are being issued disproportionately to the ownership interests of RLF Australia and/or RLF Global, an explanation why that is the case and how that is considered appropriate and equitable

1.1.5. The number of ordinary shares that the Performance Securities will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.

1.1.6. The full terms of the Performance Securities, including;

- (a) The Performance Securities are not quoted.
- (b) The Performance Securities are not transferrable.
- (c) The Performance Securities do not confer any right to vote, except as otherwise required by law.
- (d) The Performance Securities do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
- (e) The Performance Securities do not carry an entitlement to a dividend.
- (f) The Performance Securities do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (g) The Performance Securities do not carry an entitlement to participate in the surplus profit or asset of RLF upon winding up of RLF.
- (h) Each Performance Security is converted into one fully paid ordinary share on achievement of the relevant milestone.
- (i) If the relevant class of Performance Securities is not converted into a share by the relevant expiry date then all the Performance Securities of that class lapse.

1.2. RLF makes an announcement immediately upon the satisfaction of any milestones, the conversion of any of the Performance Securities and the expiry of any of the Performance Securities.

1.3. The terms and conditions of the Performance Securities, including without limitation the relevant milestones that have to be satisfied before each Performance Securities converted into an ordinary share, are not to be changed without the prior approval of ASX and RLF's shareholders.

1.4. Upon conversion of the Performance Securities into ordinary shares, RLF will apply to the ASX for quotation of the shares within the requisite time period.

1.5. RLF discloses the following in each annual report, annual audited financial accounts and half yearly report issued by RLF in respect of any period during which any of the Performance Securities remain on issue or were converted or cancelled:

1.5.1. The number of Performance Securities on issue during the relevant period;

1.5.2. A summary of the terms and conditions of the Performance Securities, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones;

1.5.3. Whether any of the Performance Securities were converted or cancelled during that period;

and

1.5.4. Whether any milestones were met during that period.

2. ASX has considered Listing Rule 6.1 only and makes no statement as to RLF's compliance with other Listing Rules.

#### Delegated authority and expiration of the decision

3. For the purposes of resolutions 1 above to 4 above inclusive, any decision to be made by or discretion to be exercised by ASX can be made by or exercised by the Manager Listings Compliance at the State office of ASX processing the application for admission or another authorised Manager Listings Compliance.

4. If the conditions set out in resolutions 1 and 2 are not satisfied by 5 July 2022, resolutions 1 above to 4 inclusive cease to have effect and if RLF has been admitted to the Official List, it be removed.

#### Conditions of waiver

The waiver is also subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the waiver(s) to be effective.

**-ENDS-**

**Authorised for release by:** the Managing Director of RLF AgTech Limited

For further information, contact:

**Ben Donovan**  
**Company Secretary**

## **Annexure A - Updated pro-forma balance sheet**

	30-Jun-21 \$	Pro Forma Adjustments \$	Pro Forma 30-Jun 2021 \$	
	Audited	Unaudited	Unaudited	Notes
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	2,075,038	8,332,080	10,407,118	1
Trade receivables	1,290,183	-	1,290,183	
Inventory	2,506,704		2,506,704	
Other current assets	43,340	-	43,340	
<b>TOTAL CURRENT ASSETS</b>	<b>5,915,265</b>	<b>8,332,080</b>	<b>14,247,345</b>	
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	566,580		566,580	
Intangible assets	4,943	5,770,053	5,774,996	
Right of use asset	662,661	-	662,661	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,234,184</b>	<b>5,770,053</b>	<b>7,004,237</b>	
<b>TOTAL ASSETS</b>	<b>7,149,449</b>	<b>14,102,133</b>	<b>21,251,582</b>	
<b>CURRENT LIABILITIES</b>				
Trade and other payables	2,971,420	-924,912	2,046,508	
Loan payable	400,000	-	400,000	
Contract liabilities	215,701	-	215,701	
Lease liabilities	559,358	-	559,358	
Income tax payable	9,448	-	9,448	
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,155,927</b>	<b>-924,912</b>	<b>3,231,015</b>	
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	2,577,750	926,376	3,504,126	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,577,750</b>	<b>926,376</b>	<b>3,504,126</b>	
<b>TOTAL LIABILITIES</b>	<b>6,733,677</b>	<b>1,464</b>	<b>6,735,141</b>	
<b>NET ASSETS</b>	<b>415,772</b>	<b>14,100,669</b>	<b>14,516,441</b>	
<b>EQUITY</b>				
Issued Share Capital	2,559,429	16,656,707	19,216,136	2
Reserves	5,131,987	489,324	5,621,311	
Accumulated Losses	-7,275,644	-3,045,362	-10,321,006	3
<b>TOTAL DEFICIT/NET EQUITY</b>	<b>415,772</b>	<b>14,100,669</b>	<b>14,516,441</b>	

**Notes:**

The proforma balance sheet above reflects what has been presented in the Prospectus on 24 February 2022 and the following adjustments have been made to reflect actual funds received from the public offer and conversion of the convertible notes.

1. Cash adjusted for \$8,500,200 public offer costs received less 6% lead manager fees.
2. Issued Share capital adjusted \$8,500,200 public offer costs received less 6% lead manager fees and conversion of convertible notes and interest accrued 1 November 2021 to 11 April 2022 of \$4,474,755.
3. Accumulated losses is adjusted for amorisation of convertible notes conversion of \$1,474,755.