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9 June 2022 | ASX Announcement

RLF AgTech Ltd (ASX: RLF)

RLF EXPANDS REGIONAL PRESENCE IN SOUTH EAST ASIA VIA DISTRIBUTION PARTNER IN CAMBODIA

RLF AgTech has executed a long-term distribution agreement in Cambodia with a minimum first phase sales commitment of the distributor being a value of US\$1.7 million (A\$2.4 million)¹, contributing to the next step of RLF's wider strategy to bolster food production in emerging markets and increasing distribution and sales around the world.

Key Highlights

- RLF AgTech reinforces its Asia footprint, signing an exclusive distribution agreement with a respected local Cambodian distributor.
- The agreement's Stage 1 distribution is for a minimum sales commitment of US\$1.7 million (A\$2.4 million) over 5 years with an intention to deliver further accelerated expansion in-country.
- Contributes to the first step in key post IPO strategy to expand sales into adjacent South East Asian jurisdictions with further expansion into additional regional and global jurisdictions planned.

Technology-driven plant nutrition company RLF AgTech Ltd ('RLF' or 'the Company') is pleased to announce that it has continued its market expansion in South East Asia, signing an exclusive distribution agreement with a local distributor, Total Agree (Cambodia) Co. Ltd for the distribution of RLF plant nutrition products in Cambodia. This contract is for a minimum sales obligation on the distributor of US\$1.7 million within a term of 5 years and requires Total Agree (Cambodia) Co. Ltd to purchase minimum quantities of RLF plant nutrition products to maintain the exclusive distribution arrangements. The contract contains standard termination clauses for non-performance and has a 5-year option for renewal assuming the minimum sales commitments are achieved.

A formal distribution agreement into Cambodia contributes to a key part of the Company's wider post IPO strategy to expand sales into new distribution points around the world and into new markets. The focus will be on countries with substantial agricultural sectors which will benefit from RLF's

¹ Based on a USD:AUD exchange rate of 1:1.39



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products to boost crop yields by between 10% - 30%, reduce the use of traditional fertilisers by up to 20%, improve the nutritional content of the food grown and the health of the soil in which it was grown.

Given the recent significant increases in the cost and availability of traditional fertilisers and the record or near record prices of agricultural commodities in general, RLF considers that this expansion strategy will form an essential part of global agriculture's ability to respond to the looming food security crisis in an environmentally conscious and sustainable manner and provide more, better quality and more nutritious food, with less inputs and cost.

Ken Hancock, RLF's Managing Director said:

"We are thrilled that our product range is available to the Cambodian farming sector which will assist continued efforts by the agricultural sector in this emerging economy to become more productive while simultaneously guarding against soil degradation and the overuse of traditional fertilisers. The continued presence of our product range has the potential to bolster food production significantly. The continued growth in the number of overseas countries selling our products demonstrates that we are successfully delivering on our stated intention to grow our international presence. We look forward to informing the market about our continued market penetration and the delivery of other growth initiatives over coming months."

Cambodia's agricultural sector is crucial to its economic well-being

The agriculture sector is an important contributor to the Cambodian economy. While the country's manufacturing sector has grown over the past decade, World Bank Group-compiled data indicate that its 'agriculture, hunting and fishing' sector continues to account for more than one fifth of the country's GDP (value added basis) in 2020. The Cambodian agriculture sector was thus valued at more than US\$5 billion in that same year which makes it a prime target for, and a significant beneficiary of, RLF and its products.

The agriculture sector's importance is also crucial to the country's economic fabric given it employs the greatest percentage of the Cambodia's workforce. Cambodia is also an important exporter of agricultural and food products regionally and globally.



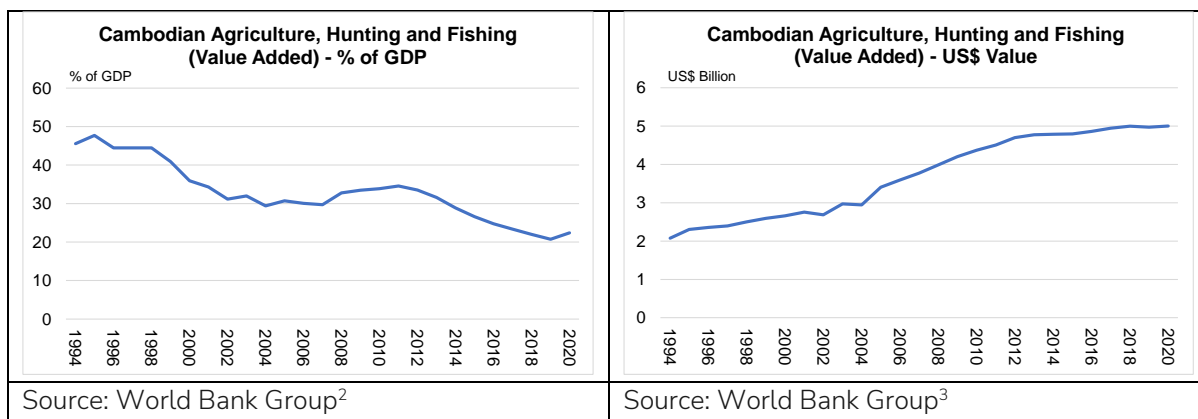
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Rice remains Cambodia's major crop and principal food source, which is particularly significant given rice production has been demonstrated in RLF's independent field trials to significantly benefit from the application our products for increased yields

According to the Australian Centre of International Agricultural Research, wet season rice cultivation in Cambodia increased by around 7% in 2020 due to better weather conditions, much of which is located near and along the Mekong River system. Dry season rice harvesting increased by 39%⁴.

This growth has occurred despite the amount of land cultivated in the country continuing to be restricted due to the lack of arable land because of early conflicts. This means that the Cambodian agricultural sector will continue to ensure they increase efficiency, making the greater yields and lower inputs using RLF's products a significant sales opportunity.

The Australian Centre of International Agricultural Research has identified upsides to further development of Cambodia's agricultural sector with higher value-added crops and livestock being identified as areas for growth. RLF's product range will aid Cambodia's efforts to increase the yield capacity of its agricultural sector across many of these sectors and can even increase the quality and health of its livestock and pastoral industries.

This announcement had been authorised for release by the Board of Directors.

² World Bank Group - <https://data.worldbank.org/indicator/NV.AGR.TOTL.KD?locations=KH>

³ World Bank Group - <https://data.worldbank.org/indicator/NV.AGR.TOTL.KD?locations=KH>

⁴ Australian Centre of International Agricultural Research - <https://www.aciar.gov.au/publication/aop2021/cambodia>



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For further information, please contact:

Investor Enquiries

Ken Hancock

Managing Director

+61 9334 8700

corporate@rlfagtech.com

Media Enquiries

Julia Maguire

The Capital Network

+61 02 8999 3699

julia@thecapitalnetwork.com.au

About Total Agree (Cambodia) Co., Ltd

Piseth Try is currently the owner and managing director of Total Agree (Cambodia) Co., Ltd. Total Agree took over the agricultural business operations from an established international corporation, which decided to divest its greater business operations from Cambodia during 2021. Currently distribution consist of a network of approximately 4 Key Accounts, 80 dealers, 450 retailers and 1,500 key farmers.

With over 15 years of regional exposure and professional experience in market analysis, business management and growth leadership, Piseth has led remarkable success in the agricultural market by delivering strong, strategic growth of the business in terms of team development, sales revenue, portfolio development and expansion. He has an impressive track record in developing and managing fast growing and complex businesses, led and motivated a sizable team and developed talents in Cambodia and in South East Asia. He furthermore developed and implemented a strategy for the Cambodian market, set up a competitive and multistage distribution channel and drove execution of the agreed growth strategy.

About RLF AgTech Ltd

RLF AgTech Ltd (ASX: RLF) is a technology-driven plant nutrition 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 Integrated Crop Nutrition and Carbon Management Systems to help capture and store CO² by increasing the organic matter in the world's soils.

To learn more, please visit: www.rlfagtech.com