

LAUNCH OF 5,000 HECTARES COMMERCIAL FARMING CARBON PILOT PROGRAM WITH CARBON WEST

Key Highlights

- Appointment of Carbon West Pty Ltd, a specialist in carbon projects registered under the Australian Federal Government's Emission Reduction Fund.
- Covering 5,000 hectares (ha) of prime commercial farming property to generate Australian Carbon Credit Units ("ACCUs") and sequester carbon using RLF's PPD Technology products and soil carbon methodology.
- Representing the implementation of RLF Carbon's strategy to commercialise ACCUs generation at scale in the 23-million ha Australian grain market.

Technology-driven plant nutrition company RLF AgTech Ltd ("RLF" or the "Company") is pleased to announce the appointment of Carbon West Pty Ltd to support the establishment and compliance management of the Company's commercial soil carbon farming pilot program. Carbon West will work to have the pilot program registered with the Clean Energy Regulator Emission Reduction Fund for the purpose of earning ACCUs.

Carbon West is an established carbon farming advisory business that specialises in Emissions Reduction Fund (ERF) soil carbon projects. Since its launch in 2020, Carbon West has engaged with farmers to help inform and advise them on carbon farming and ERF soil carbon project realities. Carbon West currently acts as the Registered Agent for 12 ERF soil carbon projects with the Clean Energy Regulator. The Company's experience will help both RLF AgTech and participating farmers navigate the complex process of establishing and maintaining land-sector carbon projects. Further information about Carbon West is provided in Appendix A of this announcement.

The 5,000 ha pilot program consists of commercial farming locations where the Company is in discussions with farm owners to enter into agreements for the registration of ERF carbon projects using RLF AgTech's Accumulating Carbon in Soil System (ACSS), which is supported by the filing of the provisional patent 'A Methodology for Accumulating Carbon in Soils'.

The registration and subsequent approval of these projects will validate the Company's previous advice that the ACSS complies with the requirements of the Clean Energy Regulator. Successful



registration will be the next milestone in this pilot program. As the pilot program continues, this will allow the Company to confirm many parts of the ACSS in a commercial farming operation.

The actions taken in this pilot program will allow the Company to develop a framework to be used in the application and execution of future projects, and act as a guide to the requirements for commercialisation at scale. The Company's aim is to roll-out the ACSS process to generate ACCUs at scale in the 23 million ha Australian grain market.

RLF AgTech's Managing Director and CEO, Ken Hancock said:

"We are delighted for Carbon West to join the technical team at RLF AgTech to launch a large-scale pilot program of 5,000 ha, with Carbon West's experience complementing our experienced technical team. We look forward to testing and developing our ACSS alongside Carbon West for Australian farmers to not only build carbon in soil, but also provide them with additional benefits of yield increases and reduction of harmful soil applied fertilisers."

Carbon West, Jennifer West said:

"This is an exciting time for RLF AgTech to be embarking on a journey towards commercialising its Accumulating Carbon in Soil System. Carbon West looks forward to working with the RLF AgTech team to register and roll out a 5000 ha ERF pilot project to ensure that proven soil organic carbon (SOC) increases will generate Australian Carbon Credit Units. Our experience in assisting land managers with ERF soil carbon project registration and compliance means Carbon West can add value in RLF AgTech's important quest to help Australian grain producers to sequester carbon in soil."

The Advantages of ACSS for Commercial Farmers

The ACSS is intended to derive its economic advantage from three outcomes, which are a result of the Company's Plant Proton Delivery Technology products and their incorporation in the ACSS. These are:

1. Increase in farmer revenue through an increase in crop yields by 10-30%;
2. Potential share in revenue earned from the generation of ACCUs; and
3. Costs saved from a reduction of up to 20% in the use of soil applied granular fertiliser.

The ACSS process is unlike other methods which achieve revenue solely from the generation of ACCUs and not from the other benefits listed above.



The application of RLF AgTech's ACSS in the ERF registered soil carbon project is expected to increase the sequestration of CO₂ into the soil and provide farmers with additional sources of income through these actions.

It is for this reason that the Company believes that ACSS could present an opportunity for farmers to increase farm incomes and take positive action against carbon emissions on a global scale.

Australian Grain Market

The Australian grain market is estimated to cover approximately 23 million ha¹, which has, over the past three years, produced record-breaking crop volumes. The value of wheat production is forecast to reach a high of \$15 billion in the 2022-23 year, exceeding the previous record of \$13.1 billion in the 2021-22 year, with winter crops forecast to produce 67.3 million tonnes in 2022-23 surpassing the previous year by 4 million tonnes.²

The recent record-breaking high yielding grain crop production over the last three years has left soil nutrient levels substantially depleted relative to previous years and is expected to flow through to an increase in the demand for soil and nutrient inputs.²

RLF AgTech's ACSS can add significant value within the Australia grain market by stimulating the growth of roots, developing larger root systems, and generating more microbial activity, meaning crops can increase soil nutrient levels to further drive yields and sequester more CO₂.

With the introduction of a Carbon Border Adjustment Mechanism, the European Union will start to tax imports from countries without a carbon price, with reporting to start in 2023. Currently Australia ranks low on the recent Climate Change Performance Index (CCPI 2023)³, and with approximately 70% of Australia's agricultural product being exported, it will likely be required to demonstrate lower levels of carbon production to avoid tariffs and taxes.⁴

RLF Carbon is poised to help Australian grain farmers address the interwoven relationship between the application of nitrogen-based fertilisers, on-farm emissions, and carbon sequestration. The immediate reduction in soil applied chemical fertilisers by up to 20% is the first step in reducing on farm emissions, while simultaneously driving carbon deposition through a larger, more developed root system.

¹ <https://www.statista.com/statistics/1093773/australia-agriculture-crop-area-by-crop/>

² <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/wheat#value-of-wheat-production-to-reach-record-high-in-202223>

³ <https://ccpi.org/>

⁴ Grain Research & Development Corporate



Empowering
farmers



Nourishing
people



Restoring
the earth



Global Market Potential

The potential for opportunities within other international carbon markets may also exist from the results of RLF AgTech's ACSS in Australia. The Australian Clean Energy Regulator's carbon credit system is considered of a high standard in comparison to other integral carbon credit generation systems, providing the Company with a solid globally recognised foundation for the commercialisation of RLF AgTech's ACSS into international carbon markets.

Globally, the agricultural sector is seeing an increased focus on adapting farming practices to generate and monetise additional soil carbon, with farms acting as carbon sinks that capture and store carbon from the atmosphere. The RLF AgTech ACSS and the RLF plant nutrition products can potentially integrate with most worldwide current farming practices, while reducing the need for chemical fertilisers by around 20%, delivering increase yields of 10% - 30% whilst actively promoting carbon sequestration in soil.



Authorised for release by the Board of Directors.

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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 Accumulating Carbon in Soil System (ACSS) to help capture and store CO₂ by increasing the organic matter in the world's soils.

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



APPENDIX A

About Carbon West

Carbon West is an independent carbon services consultancy that specialises in soil carbon projects research, assessment and project development. Carbon West is based in Western Australia and has previously worked with RLF Carbon providing consulting and modelling services to the Company. Carbon West will provide the services for the preparation and submission to the Clean Energy Regulator for the registration of the carbon projects and will provide the ongoing testing and compliance management required as part of the process.

Carbon West is headed by Jennifer West and Samuel Ewart. Jennifer's particular area of focus is soil carbon project methodologies and how farm management practices can be amended to meet ERF eligibility requirements. Samuel oversees the technical aspects of methodology compliance and looks after the long-term project management and reporting requirements of ERF projects. The team has experience in broadacre farming and has worked extensively with the farming sector. Jennifer, Sam and the Carbon West team hopes to encourage the adoption of agricultural practices which foster the sequestration of carbon in soil to improve food production and quality, support farm sustainability and build ecosystem health, while also enabling a new source of farm income.