

RLF CARBON ENTERS INTO A STRATEGIC CARBON ALLIANCE WITH COMMONWEALTH BANK AND RECEIVES AGREEMENT FOR PREPAYMENT OF CARBON CREDITS

Key Highlights

- RLF Carbon secures significant strategic alliance with the Commonwealth Bank of Australia (CBA) to explore the potential to generate carbon credits to assist in offsetting global emissions via execution of Strategic Carbon Alliance agreement.
- RLF Carbon sells its first 50,000 Australian soil carbon credit units (ACCUs) to be generated from pilot program via CBA forward payment agreement.
- CBA to fund large scale soil carbon program and RLF Carbon to receive an initial \$1M in funding.
- RLF Carbon's Soil Carbon Pilot Program with CBA to be conducted over 4 seasonal periods and the parties will work together to seek to expand the program in Australia.

Technology-driven plant nutrition company RLF AgTech Ltd ("RLF AgTech" or the "Company") is pleased to announce that its wholly owned subsidiary, RLF Carbon Pty Ltd (RLF), has formed a strategic carbon alliance with the Commonwealth Bank of Australia (CBA) to fund a large scale Soil Carbon Pilot Program (Pilot Program) and to work together to seek to expand the generation of Australian soil carbon credits in the future at scale.

This transaction represents RLF's first externally funded soil carbon project which supports the generation of carbon credits in commercial farming operations from growers in the domestic grain market. RLF has chosen CBA as its provider of choice to form this strategic alliance and RLF considers it an important validation of its technology and promise of potential to generate large quantities of carbon credits. If successful and applied at scale, carbon credits generated by RLF's technology have the potential to help offset Australian and global emissions.

RLF will deliver the first 50,000 ACCUs produced from the Pilot Program to CBA with a pre-payment of \$1 million under the ACCU Agreement. CBA will also be entitled to purchase additional ACCUs generated from the Pilot Program at a discount to a rate based on available pricing in the spot market at the time. Additional material terms of the Strategic Carbon Alliance relationship are set out in Annexure A.

CBA as a provider of banking and financial services to Australian farmers has also agreed to refer potential soil carbon projects that it considers would be suitable for the deployment of the RLF Carbon technology to RLF Carbon for commercialisation, pursuant to a stage 2 of the strategic alliance relationship that aims to look for deployment on a much larger scale.



The CBA Commodities and Carbon team led by Andrew Hinchliff, Dr Yasmina Elshafei, Alex Toone and Bart Thomson attend a signing ceremony of the landmark transaction with Ken Hancock, RLF Managing Director accompanied by Adam Santa Maria of Affinity Capital, advisor to RLF on the transaction

Andrew Hinchliff, CBA Group Executive Institutional Banking and Markets said:

“Our clients tell us financing is the biggest barrier to mobilising carbon credit supply, with capex needed to support the development of emerging carbon sequestration methods and technologies. A thriving carbon market is a significant economic opportunity for Australia and will play a vital role in the path to net zero. We want to play a leadership role in the development of this market and we look forward to collaborating with Australian innovators to support piloting and scaling carbon projects across the country. We are providing funding to RLF’s pilot to support a promising and innovative agriculture technology that has the potential to generate large scale soil carbon.”

Dr Yasmina Elshafei CBA Managing Director of Global Carbon said:

“Soil carbon is a strategic focus for CBA because we want to enable our agricultural client base to access carbon markets in a way that enhances and complements what they’re already doing and doesn’t out-compete for agricultural land. CBA is supporting the pilot by prepaying for carbon credits. The upfront funding we’re providing will assist participating farmers with covering the costs of registration, management and measurement that are associated with the project.”

RLF AgTech Chief Executive Officer Ken Hancock said that the team is very excited to be working with CBA as one of Australia’s leading banks to make the generation of ACCUs at scale a reality:

“We are delighted to have signed this agreement with CBA. We look forward to delivering the potential of our products, technology and system. Because soils have such a large storage capacity, holding three times the amount of carbon currently in the atmosphere and almost four times the amount held in living matter¹, soil carbon has a very important role to play in the world’s journey to net zero. If our relationship with CBA proves out the potential of our technology to generate carbon credits in the Australian grain industry, we look forward to deploying our products globally to make a significant impact in making farmers more efficient, profitable and to help in the fight against climate change.”



Inspection of soil in carbon at an RLF enhanced farm in Mullewa – CBA Executives Yasmina Elshafei (Managing Director, Global Carbon) and Bart Thomson (Head of Commodities, New Zealand) with farmer in Mullewa, Ken Hancock (Managing Director and CEO, RLF AgTech) and RLF’s corporate advisors, Affinity Capital

¹ https://e360.yale.edu/features/soil_as_carbon_storehouse_new_weapon_in_climate_fight



RLF AgTech's Accumulating Carbon in Soil System (ACSS) is for use in current commercial farming operations as it fits seamlessly into existing on-farm practices allowing farmers to adopt the program in the normal course of their process of growing commercial crops. ACSS does so in a manner which makes on-farm fertiliser practices more efficient, leading to larger, higher quality crop yields and ultimately additional income for farmers.

The Affinity Capital Group acted as advisors to this transaction with CBA.

About RLF Carbon's Soil Carbon Projects

RLF Carbon entering into the ACCU agreement with CBA builds upon the Company's announcement of the 5,000 hectare (Ha) Pilot Program of prime Australian farming land released on 27 March 2023. It represents a major step in the development of RLF AgTech's strategy to monetise the generation of ACCUs at scale in the 23 million hectare Australian grain market.

Managed by Carbon West, specialists in carbon projects, RLF will apply to have this pilot program registered as an Emission Reduction Fund Project with the Clean Energy Regulator (CER), for the purpose of earning ACCUs.

The Company's plant nutrition products and provisionally patented Accumulating Carbon in Soil System (ACSS) will be used by pilot participants. RLF's ACSS has the potential to add significant value to Australia grain farmers 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.

In RLF AgTech's ASX announcement on 8 March 2023 of the Strategic Carbon launch, RLF noted that the total estimated carbon credits generated in modelling conducted by independent soil carbon experts Carbon West could be in excess of \$60bn over the life of the carbon project if RLF Carbon's technology was successful and deployed across the Australian grain market, which RLF estimates constitutes less than 1% of the global market. RLF Carbon's technology integrates seamlessly into existing farming practises and works to drive additional on farm revenue through better quality and more nutritious crops, increased yields of up to 10%-30% and the elimination of the use of up to 20% of existing soil applied fertilisers.



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

Annexure A: Key terms of the ACCU Forward Payment Agreement (ACCU Agreement):

Item	Description
Prepayment Amount	\$1 million, payable within 10 Business Days upon satisfaction of the Conditions Precedent.
ACCU delivery	The first 50,000 Australian Carbon Credit Units (ACCUs) generated in the Soil Carbon Pilot Program (Pilot Program) will be delivered to CBA in satisfaction of the Prepayment Amount.
Excess ACCUs	CBA has "first right of refusal" on any ACCUs generated in excess of the agreed level of ACCUs at an agreed discount to available pricing of ACCUs in the spot market at the time.
Term	4 seasonal periods in Western Australia commencing in 2024 and ending on 31 December 2029.
Conditions Precedent	<p>These relate to executed service agreements with Pilot Program landholders, the establishment of accounts with the Clean Energy Regulator (CER) and delivery of various standard documentation and security interests relating to the Pilot Program special purpose vehicle.</p> <p>Either Party may terminate the ACCU Agreement if the Conditions Precedent are not satisfied (or waived by CBA) by 30 June 2024, or if a Condition Precedent becomes incapable of being satisfied or waived by that date.</p>
Conditions Subsequent	<p>Within 180 days after payment of the Prepayment Amount, RLF must satisfy the following key Conditions Subsequent to the satisfaction of CBA:</p> <ul style="list-style-type: none"> The CER has issued a Project Declaration that is in full force and effect for each Project in the Pilot Program; RLF's has established an account under the Australian National Registry of Emission Units Act 2011 (Cth) for the purposes of receiving ACCUs generated in the Pilot Program (ANREU Account), with a CBA nominee appointed as an authorised representative with powers to approve any transaction in respect of that account; and <p>Registration of CBA security interests created under the Seller Security Deed on the Personal Property and Securities Register.</p>
Warranties	<p>RLF has given to CBA customary representations, warranties and indemnities relating to its role as project manager and seller under the ACCU Agreement, and as a grantor of security interests to CBA.</p> <p>CBA has given to RLF customary representations and warranties relating to its role as buyer under the ACCU Agreement.</p>
Events of Default	On the occurrence of certain events of a default by RLF (including RLF insolvency, an unremedied breach of a Material Obligation or an unremedied breach by RLF of a Services Agreement which has provided a Landowner



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	<p>with a right to terminate the Services Agreement), CBA is entitled to terminate the ACCU Agreement, enforce the Seller Security Deed, or exercise any or all of its other rights, remedies, powers or discretions under the ACCU Agreement or at law (including in certain default circumstances demanding the repayment of a portion, or all, of the Prepayment Amount).</p> <p>In any event, RLF's liability under the ACCU Agreement is limited to the Prepayment Amount.</p>
<p>Acknowledgement of trial nature of Pilot Program</p>	<p>The Parties acknowledge that the Pilot Program is a large-scale trial for the generation of ACCUs and acknowledge that a failure to deliver the full 50,000 ACCUs to CBA will not require the repayment of the Prepayment Amount provided RLF Carbon is not in its default of its obligations under the ACCU Agreement.</p>