



**Appendix 4D and  
Half-Year Financial Report**  
for the half-year ended 31 December 2023

**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 2023 (HY24)  
**Prior Corresponding Period:** Half-year ended 31 December 2022 (HY23)

### Results for announcement to the market

|                                                  | 6 months to<br>31/12/2023<br>\$'000 | 6 months to<br>31/12/2022<br>\$'000 | % change     |
|--------------------------------------------------|-------------------------------------|-------------------------------------|--------------|
| Revenues from ordinary activities                | 3,900                               | 2,778                               | Up 40.4%     |
| Profit/(Loss) from ordinary activities after tax | (2,658)                             | (3,029)                             | Down (12.2%) |
| Total Comprehensive Income/(Loss) for the period | (2,482)                             | (3,242)                             | Down (23.5%) |

Please refer to the Directors' Report on pages 3 to 5 for commentary on results.

### Net tangible assets per security

|                                                      | 31/12/2023<br>Cents | 30/06/2023<br>Cents |
|------------------------------------------------------|---------------------|---------------------|
| Net tangible (liability)/asset per ordinary security | (0.43)              | 1.04                |

### Entities gained or lost of control over the period

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

- RLF Strategic Carbon Alliance Pty Ltd - 22 August 2023 (newly registered)
- RLF Qld Pty Ltd - 19 October 2023 (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 6.

## 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 2023.

### Directors

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

Donald Evan McLay  
Gavin Neil Ball  
Liza Carpene

Kenneth Graeme Hancock  
Shen Lu  
Paul Lawrence McKenzie

## Operating and Financial Review

### Key Highlights

- HY24 revenue: \$3.90 million, ~40% higher than the corresponding period in HY23.
- Strong cash receipts from customers for HY24 with significantly improved operating cash flow.
- Forming alliance and signing ACCU Forward Payment Agreement with Commonwealth Bank of Australia.
- Pioneering soil carbon generation methods, aiming to deliver the fastest ACCU.

### Overview

RLF specialises in plant science and crop nutrition technology that delivers yield increases combined with improved plant health and soil biology. Over the years, RLF has developed technology to increase soil carbon, aiming to unlock the potential to generate carbon credits on a large scale. The Group has two main business divisions, being (i) Crop Nutrition and (ii) Carbon.

For the Crop Nutrition Division, the Group has a well-established manufacturing plant and sales network in China and a R&D facility in Australia. The Group has been hiring and training its sales and marketing team to boost market share in China, generating increased revenue and expanding its presence in other regions as part of the Group's revenue diversification strategy.

For the Carbon Division, with its soil carbon technology, RLF has positioned itself as the project developer, acting as a conduit between the farmer, the emitter and the project financier, forming an integral part of the carbon supply chain with an ambition to be globally recognised as a major force for change in the transformation of agriculture and food production and an integral part of the journey to net zero.

## Review of Operations

RLF continued to execute its strategies and delivered improved results for the first six months of FY24.

In the Crop Nutrition Division, the Group achieved a 40% growth in its revenue for HY24 compared to the corresponding period in HY23. The significant growth revenue is a direct result of RLF's long-term effort in expanding its sales team and distribution network across the regions in Asia. During HY24, the Group also invested in trial programs on popular and high value crops across Asia.

In the Carbon Division, the Group commenced an ambitious soil carbon project in the Hillston region of New South Wales, Australia. As part of RLF's R&D programs, the project aims to generate the fastest Australian Carbon Credit Unit (**ACCU**) using its soil carbon methodology.

In July 2023, RLF and Commonwealth Bank of Australia (**CBA**) formed a strategic carbon alliance (**Alliance**) and entered into the ACCU Forward Payment Agreement (**ACCU FPA**), which CBA will, subject to satisfying conditions precedent, prepay RLF AU\$1m in exchange for the first 50,000 ACCUs generated from the pilot program under the Alliance and ACCU FPA.

## Review of Financial Conditions

For HY24, the Group's revenue was \$3.90 million, which represents a growth of 40% compared to HY23 corresponding period, with the China region delivering a 44% increase and the SE Asia region delivering a 13% increase in revenue. The HY24 revenue is in line with the Market Guidance that was announced to the market on 11 October 2023.

While the Group's gross profit increased by 15% to \$1.81 million (HY23: \$1.57 million), the gross profit margin fell from 56% to 46% due to two main reasons, which are: (1) for HY24, the products sold in China had a higher proportion of lower-margin products in the mix and (2) RLF's customers in the SE Asia region requested the products to be manufactured in Australia in order to have a better marketing effect, which has a higher manufacturing cost, resulting in a smaller gross profit margin compared to products manufactured in RLF's manufacturing plant in China.

One of the key features of RLF's business in China is that most of the customers prepay in full for their orders, which is a key indicator of RLF's short term demand for its products. During HY24, the Group received a total of \$6.38 million from its customers, which is 5% higher than the same corresponding period in FY23 (HY23: \$6.05 million). The 5% growth was against a backdrop of an economy that has been facing deflationary pressure, where customers would normally hold cash and defer payment as product prices are more likely to reduce in the future.

For HY24, the Group's net cash outflow from operating activities was \$0.84 million, representing a significant improvement of 61% comparing to the same corresponding period in HY23. The net cash decrease reduced by 53% from \$2.92 million in HY23 to \$1.36 million in HY24.

## Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 6 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

A handwritten signature in black ink, consisting of a large, stylized capital 'K' followed by a horizontal line that extends to the right and then curves slightly upwards.

**Ken Hancock**

Managing Director and CEO

Perth, 28 February 2024

# Auditor's Independence Declaration



## Moore Australia Audit (WA)

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
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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 2023, 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 28<sup>th</sup> day of February 2024.

# Independent Auditor's Review Report



## Moore Australia Audit (WA)

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2 The Esplanade, Perth, WA 6000  
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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 2023, 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 2023 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 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.

### 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 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 2023 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 28<sup>th</sup> day of February 2024.

## Directors' Declaration

The Directors declare that, in the Directors' opinion:

- (i) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (ii) the attached financial statements and notes thereto are in accordance with *the Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

A handwritten signature in black ink, consisting of a large, stylized capital 'K' followed by a horizontal line that curves upwards at the end.

**Ken Hancock**

Managing Director and CEO

Perth, 28 February 2024

# Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2023

|                                                                   |      | Consolidated<br>Half-year ended |                |
|-------------------------------------------------------------------|------|---------------------------------|----------------|
|                                                                   |      | 31/12/2023                      | 31/12/2022     |
|                                                                   |      | \$'000                          | \$'000         |
|                                                                   | Note |                                 |                |
| <b>Continuing operations</b>                                      |      |                                 |                |
| Sales                                                             |      | 3,900                           | 2,778          |
| Cost of sale of goods                                             |      | (2,092)                         | (1,209)        |
| <b>Gross profit</b>                                               |      | <b>1,808</b>                    | <b>1,569</b>   |
| Other income                                                      |      | 214                             | 20             |
| Sales and marketing expenses                                      | 3    | (1,595)                         | (1,754)        |
| Corporate expenses                                                | 4    | (2,519)                         | (2,231)        |
| R&D expenses                                                      |      | (284)                           | (405)          |
| Depreciation and amortisation expenses                            |      | (126)                           | (92)           |
| Share based payment expenses                                      |      | (50)                            | -              |
| Finance costs                                                     |      | (112)                           | (34)           |
| <b>Profit/(Loss) before income tax</b>                            |      | <b>(2,664)</b>                  | <b>(2,927)</b> |
| Income tax expense                                                |      | 6                               | (102)          |
| <b>Profit/(Loss) for the period from continuing operations</b>    |      | <b>(2,658)</b>                  | <b>(3,029)</b> |
| <b>Other comprehensive income for the period</b>                  |      |                                 |                |
| <i>Items that may be classified to profit or loss</i>             |      |                                 |                |
| Foreign exchange differences on translation of foreign operations |      | 176                             | (213)          |
| <b>Total comprehensive income/(loss) for the period</b>           |      | <b>(2,482)</b>                  | <b>(3,242)</b> |
| <b>Profit/(Loss) attributable to:</b>                             |      |                                 |                |
| - Owners of the parent                                            |      | (2,658)                         | (3,029)        |
| - Non-controlling interests                                       |      | -                               | -              |
|                                                                   |      | <b>(2,658)</b>                  | <b>(3,029)</b> |
| <b>Total comprehensive income/(loss) attributable to:</b>         |      |                                 |                |
| - Owners of the parent                                            |      | (2,482)                         | (3,242)        |
| - Non-controlling interests                                       |      | -                               | -              |
|                                                                   |      | <b>(2,482)</b>                  | <b>(3,242)</b> |
| <b>Earnings per share</b>                                         |      |                                 |                |
| Basic earnings/(loss) per share in cents                          | 9    | (1.43)                          | (1.64)         |
| Diluted earnings/(loss) per share in cents                        | 9    | (1.43)                          | (1.64)         |

## Condensed consolidated statement of financial position

as at 31 December 2023

|                                      |      | Consolidated  |               |
|--------------------------------------|------|---------------|---------------|
|                                      |      | 31/12/2023    | 30/06/2023    |
|                                      |      | \$'000        | \$'000        |
|                                      | Note |               |               |
| <b>Current Assets</b>                |      |               |               |
| Cash and cash equivalents            |      | 2,845         | 4,259         |
| Trade and other receivables          |      | 2,801         | 2,502         |
| Inventories                          | 5    | 3,909         | 3,220         |
| Other current assets                 |      | 108           | 97            |
| <b>Total Current Assets</b>          |      | <b>9,663</b>  | <b>10,078</b> |
| <b>Non-Current Assets</b>            |      |               |               |
| Trade and other receivables          |      | 76            | 91            |
| Right-of-use assets                  |      | 305           | 418           |
| Intangible assets                    | 7    | 6,779         | 6,548         |
| Property, plant and equipment        | 6    | 835           | 505           |
| <b>Total Non-Current Assets</b>      |      | <b>7,995</b>  | <b>7,562</b>  |
| <b>Total Assets</b>                  |      | <b>17,658</b> | <b>17,640</b> |
| <b>Current Liabilities</b>           |      |               |               |
| Trade and other payables             |      | 1,661         | 2,192         |
| Contract liabilities                 |      | 4,050         | 1,820         |
| Borrowings                           |      | 824           | 624           |
| Lease liabilities                    |      | 268           | 252           |
| Provisions                           |      | 197           | 167           |
| Income tax payable                   |      | -             | 9             |
| <b>Total Current Liabilities</b>     |      | <b>7,000</b>  | <b>5,064</b>  |
| <b>Non-Current Liabilities</b>       |      |               |               |
| Trade and other payables             |      | 4,152         | 3,452         |
| Borrowings                           |      | 400           | 400           |
| Lease liabilities                    |      | 94            | 232           |
| Provisions                           |      | 28            | 26            |
| <b>Total Non-Current Liabilities</b> |      | <b>4,674</b>  | <b>4,110</b>  |
| <b>Total Liabilities</b>             |      | <b>11,674</b> | <b>9,174</b>  |
| <b>Net Assets</b>                    |      | <b>5,984</b>  | <b>8,466</b>  |
| <b>Equity</b>                        |      |               |               |
| Share capital                        |      | 17,197        | 17,197        |
| Reserves                             | 8    | 4,955         | 4,779         |
| Accumulated losses                   |      | (16,168)      | (13,510)      |
| <b>Total Equity</b>                  |      | <b>5,984</b>  | <b>8,466</b>  |

## Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2023

| Consolidated                                            | Share capital<br>\$'000 | Share Based<br>Payments<br>Reserve<br>\$'000 | Group<br>Reorganisation<br>Reserve<br>\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>\$'000 | Accumulated<br>losses<br>\$'000 | Total<br>\$'000 |
|---------------------------------------------------------|-------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------------|---------------------------------|-----------------|
| <b>Balance as at 1 July 2022<sup>1</sup></b>            | <b>17,170</b>           | <b>1,699</b>                                 | <b>4,969</b>                                 | <b>(1,567)</b>                                          | <b>(10,008)</b>                 | <b>12,263</b>   |
| Profit/(Loss) after income tax for the half-year        | -                       | -                                            | -                                            | -                                                       | (3,029)                         | <b>(3,029)</b>  |
| Other comprehensive income/(loss)                       | -                       | -                                            | -                                            | (213)                                                   | -                               | <b>(213)</b>    |
| <b>Total comprehensive income/(loss) for the period</b> | -                       | -                                            | -                                            | (213)                                                   | (3,029)                         | <b>(3,242)</b>  |
| Reversal of prior year IPO related costs                | 27                      | -                                            | -                                            | -                                                       | -                               | <b>27</b>       |
| <b>Balance as at 31 December 2022</b>                   | <b>17,197</b>           | <b>1,699</b>                                 | <b>4,969</b>                                 | <b>(1,780)</b>                                          | <b>(13,037)</b>                 | <b>9,048</b>    |
| <b>Balance as at 1 July 2023</b>                        | <b>17,197</b>           | <b>1,904</b>                                 | <b>4,969</b>                                 | <b>(2,094)</b>                                          | <b>(13,510)</b>                 | <b>8,466</b>    |
| Profit/(Loss) after income tax for the half-year        | -                       | -                                            | -                                            | -                                                       | (2,658)                         | <b>(2,658)</b>  |
| Other comprehensive income/(loss)                       | -                       | -                                            | -                                            | 176                                                     | -                               | <b>176</b>      |
| <b>Total comprehensive income/(loss) for the period</b> | -                       | -                                            | -                                            | 176                                                     | (2,658)                         | <b>(2,482)</b>  |
| <b>Balance as at 31 December 2023</b>                   | <b>17,197</b>           | <b>1,904</b>                                 | <b>4,969</b>                                 | <b>(1,918)</b>                                          | <b>(16,168)</b>                 | <b>5,984</b>    |

<sup>1</sup> The comparative information has been restated as a result of prior period error for Share Based Payments Reserve as discussed in Note 2(b) of the Group's 2023 Annual Report for the year ended 30 June 2023 (ASX announcement: 29 September 2023).

## Condensed consolidated statement of cash flows

for the half-year ended 31 December 2023

|                                                                 | Consolidated<br>Half-year ended |                |
|-----------------------------------------------------------------|---------------------------------|----------------|
|                                                                 | 31/12/2023                      | 31/12/2022     |
|                                                                 | \$'000                          | \$'000         |
| <b>Cash flows from operating activities</b>                     |                                 |                |
| Receipts from customers                                         | 6,376                           | 6,045          |
| Payments to suppliers and employees                             | (7,600)                         | (8,086)        |
| Income tax paid                                                 | -                               | (102)          |
| Government grants and tax incentives received                   | 385                             | -              |
| <b>Net cash from/(used in) operating activities</b>             | <b>(839)</b>                    | <b>(2,143)</b> |
| <b>Cash flows from investing activities</b>                     |                                 |                |
| Payments for property, plant and equipment                      | (295)                           | (174)          |
| Payments for intangible assets                                  | (421)                           | -              |
| <b>Net cash (used in)/from investing activities</b>             | <b>(716)</b>                    | <b>(174)</b>   |
| <b>Cash flows from financing activities</b>                     |                                 |                |
| Proceeds from loans and borrowings                              | 756                             | -              |
| Repayments of loans and borrowings                              | (301)                           | (487)          |
| Interest and other finance costs paid                           | (138)                           | (15)           |
| Lease Payments                                                  | (122)                           | (96)           |
| Payment of IPO related costs                                    | -                               | (4)            |
| <b>Net cash (used in)/from financing activities</b>             | <b>195</b>                      | <b>(602)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>(1,360)</b>                  | <b>(2,919)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>4,259</b>                    | <b>7,999</b>   |
| Effects of exchange rate changes                                | (54)                            | 66             |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>2,845</b>                    | <b>5,146</b>   |

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

# Notes to the condensed consolidated financial statements

## Note 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.<sup>2</sup>

### 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 2023 (ASX announcement: 29 September 2023). The accounting policies are consistent with Australian Accounting Standards (**AASB**) 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.

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<sup>2</sup> ASX Announcement: 29 September 2023.

## Note 2: 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, together with RLF's support functions. Managing Director and CEO, 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 31/12/2023</i> |                |
|-------------------|-----------------------------------|----------------|
|                   | Revenue                           | EBITDA         |
|                   | \$'000                            | \$'000         |
| China             | 3,504                             | 11             |
| SE Asia           | 396                               | (108)          |
| Australia         | -                                 | -              |
| Support functions | -                                 | (2,388)        |
| <b>Total</b>      | <b>3,900</b>                      | <b>(2,485)</b> |

  

|                   | <i>Half-year ended 31/12/2022</i> |                |
|-------------------|-----------------------------------|----------------|
|                   | Revenue                           | EBITDA         |
|                   | \$'000                            | \$'000         |
| China             | 2,429                             | (450)          |
| SE Asia           | 349                               | 148            |
| Australia         | -                                 | -              |
| Support functions | -                                 | (2,500)        |
| <b>Total</b>      | <b>2,778</b>                      | <b>(2,802)</b> |

### (ii) Segment assets and liabilities

| <b>As at 31/12/2023</b> | <b>China</b> | <b>SE Asia</b> | <b>Australia</b> | <b>Total</b> |
|-------------------------|--------------|----------------|------------------|--------------|
|                         | \$'000       | \$'000         | \$'000           | \$'000       |
| Segment Assets          | 9,107        | 30             | 8,521            | 17,658       |
| Segment Liabilities     | (9,492)      | -              | (2,182)          | (11,674)     |
| <b>Net Assets</b>       | <b>(385)</b> | <b>30</b>      | <b>6,339</b>     | <b>5,984</b> |

  

| <b>As at 30/06/2023</b> | <b>China</b> | <b>SE Asia</b> | <b>Australia</b> | <b>Total</b> |
|-------------------------|--------------|----------------|------------------|--------------|
|                         | \$'000       | \$'000         | \$'000           | \$'000       |
| Segment Assets          | 9,112        | 22             | 8,506            | 17,640       |
| Segment Liabilities     | (7,322)      | -              | (1,852)          | (9,174)      |
| <b>Net Assets</b>       | <b>1,790</b> | <b>22</b>      | <b>6,654</b>     | <b>8,466</b> |

### Note 3: Sales and Marketing Expenses

|                                    | Half-year ended |              |
|------------------------------------|-----------------|--------------|
|                                    | 31/12/2023      | 31/12/2022   |
|                                    | \$'000          | \$'000       |
| Advertising and promotion expenses | 372             | 495          |
| Sales personnel expenses           | 540             | 514          |
| Transportation and travel expenses | 667             | 724          |
| Other                              | 16              | 21           |
| <b>Total</b>                       | <b>1,595</b>    | <b>1,754</b> |

### Note 4: Corporate Expenses

|                                            | Half-year ended |              |
|--------------------------------------------|-----------------|--------------|
|                                            | 31/12/2023      | 31/12/2022   |
|                                            | \$'000          | \$'000       |
| Business Development- new market expansion | 308             | 117          |
| Corporate overhead                         | 1,116           | 952          |
| Salary & Director fees and oncosts         | 1,095           | 1,162        |
| <b>Total</b>                               | <b>2,519</b>    | <b>2,231</b> |

### Note: 5 Inventories

|                  | 31/12/2023   | 30/06/2023   |
|------------------|--------------|--------------|
|                  | \$'000       | \$'000       |
| Raw material     | 1,809        | 2,057        |
| Finished goods   | 103          | 70           |
| Work in progress | 1,997        | 1,093        |
| <b>Total</b>     | <b>3,909</b> | <b>3,220</b> |

## Note: 6 Property, Plant and Equipment

|                             | 31/12/2023<br>\$'000 | 30/06/2023<br>\$'000 |
|-----------------------------|----------------------|----------------------|
| <b>Office equipment</b>     |                      |                      |
| At cost                     | 41                   | 38                   |
| Accumulated Depreciation    | (31)                 | (30)                 |
|                             | <b>10</b>            | <b>8</b>             |
| <b>Plant and Equipment</b>  |                      |                      |
| At cost                     | 2,201                | 1,921                |
| Accumulated depreciation    | (1,490)              | (1,454)              |
|                             | <b>711</b>           | <b>467</b>           |
| <b>Motor vehicles</b>       |                      |                      |
| At cost                     | 115                  | 114                  |
| Accumulated depreciation    | (4)                  | (87)                 |
|                             | <b>111</b>           | <b>27</b>            |
| <b>Electronic Equipment</b> |                      |                      |
| At cost                     | 34                   | 34                   |
| Accumulated depreciation    | (31)                 | (31)                 |
|                             | <b>3</b>             | <b>3</b>             |
| <b>Total</b>                |                      |                      |
| At cost                     | 2,391                | 2,107                |
| Accumulated depreciation    | (1,556)              | (1,602)              |
|                             | <b>835</b>           | <b>505</b>           |

|                                         | Motor<br>vehicles<br>\$'000 | Office<br>equipment<br>\$'000 | Plant &<br>equipment<br>\$'000 | Electronic<br>equipment<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------|-----------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------|
| <b>Balance at 1 July 2023</b>           | <b>27</b>                   | <b>8</b>                      | <b>467</b>                     | <b>3</b>                          | <b>505</b>      |
| Additions                               | 90                          | 3                             | 306                            | -                                 | 399             |
| Disposals                               | (4)                         | -                             | -                              | -                                 | (4)             |
| Depreciation expense                    | (2)                         | (1)                           | (57)                           | -                                 | (60)            |
| Foreign currency translation difference | -                           | -                             | (5)                            | -                                 | (5)             |
| <b>Balance at 31 December 2023</b>      | <b>111</b>                  | <b>10</b>                     | <b>711</b>                     | <b>3</b>                          | <b>835</b>      |

|                                         | Motor<br>vehicles<br>\$'000 | Office<br>equipment<br>\$'000 | Plant &<br>equipment<br>\$'000 | Electronic<br>equipment<br>\$'000 | Total<br>\$'000 |
|-----------------------------------------|-----------------------------|-------------------------------|--------------------------------|-----------------------------------|-----------------|
| <b>Balance at 1 July 2022</b>           | <b>5</b>                    | <b>1</b>                      | <b>468</b>                     | <b>6</b>                          | <b>480</b>      |
| Additions                               | 24                          | 9                             | 114                            | -                                 | 147             |
| Depreciation expense                    | (2)                         | (2)                           | (97)                           | (2)                               | (103)           |
| Foreign currency translation difference | -                           | -                             | (18)                           | (1)                               | (19)            |
| <b>Balance at 30 June 2023</b>          | <b>27</b>                   | <b>8</b>                      | <b>467</b>                     | <b>3</b>                          | <b>505</b>      |

## Note 7: Intangible Assets

|                                                      | 31/12/2023<br>\$'000                      | 30/06/2023<br>\$'000                       |
|------------------------------------------------------|-------------------------------------------|--------------------------------------------|
| <b>Software</b>                                      |                                           |                                            |
| At cost                                              | -                                         | 16                                         |
| Accumulated Amortisation                             | -                                         | (16)                                       |
|                                                      | -                                         | -                                          |
| <b>Intellectual Property and Distribution Rights</b> |                                           |                                            |
| At cost                                              | 6,107                                     | 6,107                                      |
|                                                      | <b>6,107</b>                              | <b>6,107</b>                               |
| <b>Soil Carbon Projects</b>                          |                                           |                                            |
| At cost                                              | 672                                       | 441                                        |
|                                                      | <b>672</b>                                | <b>441</b>                                 |
| <b>Total Intangible Assets</b>                       | <b>6,779</b>                              | <b>6,548</b>                               |
|                                                      |                                           |                                            |
|                                                      | 6 months<br>ended<br>31/12/2023<br>\$'000 | 12 months<br>ended<br>30/06/2023<br>\$'000 |
| <b>Movement in carrying amounts</b>                  |                                           |                                            |
| <b>Software</b>                                      |                                           |                                            |
| Carrying amount at beginning of the period/year      | -                                         | 3                                          |
| Amortisation                                         | -                                         | (2)                                        |
| Foreign currency translation movement                | -                                         | (1)                                        |
| Carrying amount at the end of the period/year        | -                                         | -                                          |
| <b>Intellectual Property and Distribution Rights</b> |                                           |                                            |
| Carrying amount at beginning of the period/year      | 6,107                                     | 6,107                                      |
| Additions                                            | -                                         | -                                          |
| Carrying amount at the end of the period/year        | <b>6,107</b>                              | <b>6,107</b>                               |
| <b>Soil Carbon Projects</b>                          |                                           |                                            |
| Carrying amount at beginning of the period/year      | 441                                       | -                                          |
| Additions                                            | 231                                       | 441                                        |
| Carrying amount at the end of the period/year        | <b>672</b>                                | <b>441</b>                                 |
| <b>Total Intangible Assets</b>                       | <b>6,779</b>                              | <b>6,548</b>                               |

## Note 8: Reserves

|                                      | 31/12/2023   | 30/06/2023   |
|--------------------------------------|--------------|--------------|
|                                      | \$'000       | \$'000       |
| Foreign Currency Translation Reserve | (1,918)      | (2,094)      |
| Group Reorganisation Reserve         | 4,969        | 4,969        |
| Share Based Payments Reserve         | 1,904        | 1,904        |
| <b>Total</b>                         | <b>4,955</b> | <b>4,779</b> |

## Note 9: Earnings per share

|                                                                                                                                       | Half-year ended        |                        |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                                                       | 31/12/2023             | 31/12/2022             |
|                                                                                                                                       | \$'000                 | \$'000                 |
| <b>(a) Reconciliation of profit/(loss) used in calculating earnings per share</b>                                                     |                        |                        |
| Profit/(Loss) attributable to the ordinary equity holders used in calculating basic earnings per share and diluted earnings per share | (2,658)                | (3,029)                |
| <b>(b) Weighted average number of shares used as the denominator</b>                                                                  | <b>31/12/2023</b>      | <b>31/12/2022</b>      |
|                                                                                                                                       | <b>Number</b>          | <b>Number</b>          |
| Ordinary shares used as the denominator in calculating basic earnings per share                                                       | 185,708,392            | 184,933,278            |
| Ordinary shares used as the denominator in calculating diluted earnings per share                                                     | 218,302,682            | 217,127,722            |
| <b>(c) Earnings per share</b>                                                                                                         | <b>Half-year ended</b> | <b>Half-year ended</b> |
|                                                                                                                                       | <b>31/12/2023</b>      | <b>31/12/2022</b>      |
|                                                                                                                                       | <b>Cents</b>           | <b>Cents</b>           |
| Basic earnings/(loss) per share                                                                                                       | (1.43)                 | (1.64)                 |
| Diluted earnings/(loss) per share                                                                                                     | (1.43)                 | (1.64)                 |

## Note 10: Contingent liabilities

On 27 July 2023, the Commonwealth Bank of Australia (**CBA**) and RLF entered into the ACCU Forward Payment Agreement (**ACCU FPA**), according to which CBA will prepay RLF up to \$1m (**CBA Prepayment**) upon the satisfaction of the Conditions Precedent (**CBA Transaction**).

RLF will be liable for a financing fee of 5% of the CBA Prepayment received by RLF to its corporate advisory firm, which advised RLF on the CBA Transaction. The maximum financing fee will be \$50,000.

## Note 11: Related party transactions

Notes 29 and 30 of the Group's Annual Report<sup>3</sup> sets out the detailed information in relation to this matter. During HY24, the significant changes were as follows:

### Deferral of the Aggregated Payables Deferred Agreement

As part of RLF's IPO process, on 9 September 2021, the Group entered into the Aggregated Payables Deferred Agreement (**APDA**) with Rural Liquid Fertilisers Pty Ltd and RLF Global Pty Ltd (collectively, **APDA Counter Parties**) to defer payment of certain historical fees owed to the APDA Counter Parties relating to royalties, toll manufacturing fees and services by the Group (**Deferred Debts**).

In accordance with the APDA, the Deferred Debts will be paid in 24 equal monthly instalments, with the payment for the first instalment payable being 7 days after 1 March 2024 (**First Payment Date**) and the subsequent instalments payable within 7 days after the first day of each calendar month.

The Group and the APDA Counter Parties have agreed to defer the First Payment Date to 1 July 2025. For completeness, other terms and conditions in the APDA remain unchanged.

### Cessations

As at 31 December 2023, Magicorp Pty Ltd and Sourcefit Inc. were no longer classified as related parties as defined in accordance with AASB 124 para. 9.

### Appointment/Resignation of Key Management Personnel

On 23 October 2023, RLF appointed Mr Zaiqian Zhang as Chief Financial Officer and Company Secretary. Mr Zhang's key terms of employment are as follows,

|                            |                                                                                                                                       |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>Fixed remuneration:</b> | Base salary of \$240,000 per annum plus statutory superannuation                                                                      |
| <b>Type of employment:</b> | Full time                                                                                                                             |
| <b>Employment term:</b>    | No fixed term                                                                                                                         |
| <b>Termination notice:</b> | 12 weeks without cause;<br>Immediately for misconduct wilful neglect, fraud and serious breach of the Group's policies and procedures |
| <b>Termination payment</b> | None. However, RLF may choose to pay in lieu of notice                                                                                |

Mrs Su-Mei Sain resigned as Chief Financial Officer on 23 October 2023.

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<sup>3</sup> ASX Announcement: 29 September 2023.

## Summary of related party transactions during HY24

|                                   | Half-year ended |              |
|-----------------------------------|-----------------|--------------|
|                                   | 31/12/2023      | 31/12/2022   |
|                                   | \$'000          | \$'000       |
| Revenue                           | -               | -            |
| Product manufacturing             | (200)           | (117)        |
| Other expenses and reimbursements | (112)           | (91)         |
| <b>Total</b>                      | <b>(312)</b>    | <b>(208)</b> |

  

|                              | 31/12/2023     | 30/06/2023     |
|------------------------------|----------------|----------------|
|                              | \$'000         | \$'000         |
|                              |                |                |
| Trade receivables            | 122            | 99             |
| Other receivables            | 120            | 120            |
| Trade payables - current     | (119)          | (753)          |
| Trade payables - non-current | (4,025)        | (3,452)        |
| <b>Total</b>                 | <b>(3,902)</b> | <b>(3,986)</b> |

Other than as stated above, there have been no significant changes since 30 June 2023, which is the end of the Group's last annual reporting period.

## Note 12: Events after the Reporting Period

There has been no matter or circumstance that has arisen since 31 December 2023 that 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  
Kenneth Graeme Hancock  
Shen Lu  
Gavin Neil Ball  
Liza Carpena  
Paul Lawrence McKenzie

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

### Secretary

Zaiqian Zhang

### Registered Office

1/61 Dowd Street  
Welshpool, Western Australia 6106  
T: +61 8 9334 8700  
E: [corporate@rlfagtech.com](mailto:corporate@rlfagtech.com)

### Share Registry

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth, Western Australia 6000  
Email: [hello@automicgroup.com.au](mailto: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](http://www.rlfagtech.com)

### Connect with us

