

13 August 2024

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65 Kurnall Road  
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## ASX Announcement

# RLF and Winterleaf to form a Joint Venture to Advance Carbon Strategies through the Agricultural Sector

## Key Highlights

- RLF and Winterleaf have executed a binding Term Sheet to form a Joint Venture and formalise a strategic alliance to develop carbon solutions and facilitate ACCU generation for third parties
- Proposed Joint Venture reshapes RLF's carbon strategy and promotes the use of its Accumulating Carbon in Soil System (ACSS)
- Promotes sale of RLF products
- Leverages expertise from both organisations to benefit third party potential ACCU producers

RLF AgTech Ltd. (ASX: RLF) (RLF or the **Company**) is pleased to announce the execution of a binding Term Sheet with **Winterleaf Holdings Pty Ltd (Winterleaf)** to form a Joint Venture (JV) targeting the development of carbon projects utilising RLF's Carbon Accumulating Carbon in Soil System (**ACCS**) for the benefit of farmers, growers, emitters and investors.

Winterleaf, led by Mark Lewis, is an established Carbon Projects Developer working in the environmental offsets and agriculture space, and is dedicated to delivering impactful ESG appropriate strategies for third parties.

The collaboration between RLF and Winterleaf (**JV Partners**) will bring together complementary technical and specialist skills and experience that will focus on delivering environmental offsets, biodiversity and Australian Carbon Credit Unit (**ACCU**)-based agricultural projects, using RLF's approved carbon sequestration methodology and new generation of products.

*"With RLF's approved ACCU methodology and specialised plant nutrition products, combined with the extensive expertise of Mark Lewis's teams at Winterleaf and Ai Carbon<sup>1</sup>, RLF is ideally placed to create real value for farmers, growers, emitters and our Shareholders" said Acting Managing Director Gavin Ball. "This is the exciting first step in our refocussed Carbon Strategy – working as a team with established industry leaders."*

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<sup>1</sup> Australian Integrated Carbon Pty Ltd

The JV Partners see an opportunity to fill a gap in the market by acting as an intermediary, bringing together non-related parties with inter-related needs, facilitate the generation of ACCUs and generate an increasing supply of carbon credits.



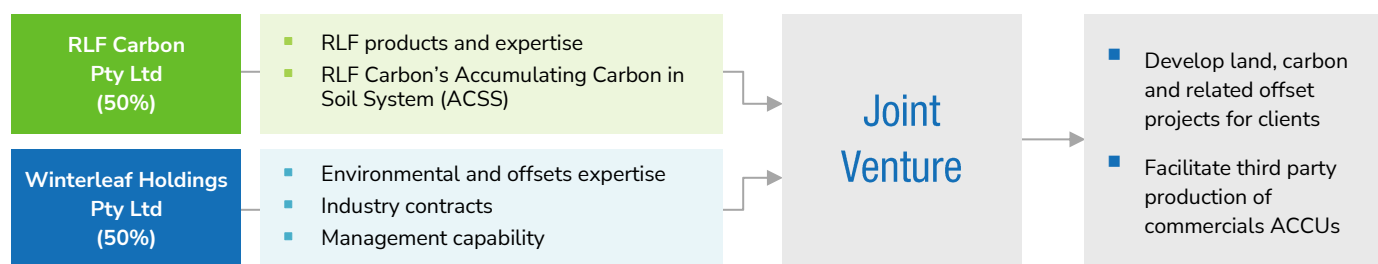
**Carbon Market Institute's 2023 Market Report:**

*ACCU project registrations and supply of ACCUs has grown steadily since the ACCU crediting framework was established in 2012. ACCU issuance grew to a cumulative total from 15.4 million ACCUs issued by 2014, jumping to 68.8 million by 30 September 2019, to a total of 124.2 million as at 2 February 2023.*



## Joint Venture Details

The JV's objective is to leverage RLF's products and RLF Carbon's ACSS methodology, together with Winterleaf's expertise in carbon project management, environmental offsets, and agriculture, for the commercial generation of ACCUs for third parties. The implementation of introductory pilot projects for third parties will mark the first stage of the collaboration delivery, paving the way for broader strategic initiatives to attract wider market interest and institutional investment.



*Figure 1: Business model of the Proposed JV*

The JV is a significant milestone in the reshaping of the RLF Carbon business as previously announced to the market and positions the Company as a front-line participant in the carbon sequestration methodologies business targeted at commercial farming operators. The JV leverages off the expertise and connections of Mark Lewis, leader of Winterleaf, who brings a wealth of experience and a distinguished resume to the JV.

Mr Lewis is a former WA Minister for Agriculture and Food, member for the Mining and Pastoral Region in the WA Legislative Council from 2013 to 2017, and a foundation member of the federal Regional Investment Corporation (charged to deliver a \$4 billion concessional loan facility). Mr Lewis recently completed his term on the Climate Change Authority which advises federal Ministers and government on related matters. In addition, Mr Lewis is a founder of leading Australian carbon offsets developer Ai Carbon, who has since onboarded multinational companies such as Mitsubishi and Rio Tinto, and is a director of several other public and private companies.

Mr Lewis has a lifetime of involvement in agriculture and rural communities, and years of engagement in water resource development.

## Key Terms of the Term Sheet and Proposed Joint Venture include:

- The joint venture will be conducted via a newly incorporated operating company in which the shares will be 50:50 owned between RLF and Winterleaf, with one director from each.
- The objective of the proposed joint venture that would see RLF and Winterleaf collaborate in the development of an ESG strategy for RLF including environmental offset, biodiversity and carbon projects. The intent is to use RLF products and Winterleaf's experience and knowledge.
- RLF and Winterleaf will negotiate in good faith the Formal Agreements being a Shareholder Agreement, IP Licence Agreements, Distribution Agreement for use of RLF products and will include other customary terms expected to be included in such agreements.
- In the absence of third-party project financing or funding the Parties will provide necessary funding 50% each (unless otherwise agreed). Any revenue will be allocated to the parties based upon cost recovery basis.
- Both parties will retain rights to their existing intellectual property and will be free to use and commercialise it in any way they determine. Any intellectual property (IP) developed during the JV shall be owned by the joint venture company. Usage rights of this developed intellectual property use by the Parties for purposes other than the Objective will be mutually agreed upon by both Parties as necessary.
- This Term Sheet will expire on the earlier of: (i) execution of the Formal Agreements; or (ii) 13 August 2025.

*The announcement has been authorised for release by the Board of Directors.*

### For further information, please contact:

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### About RLF

RLF AgTech Ltd (ASX: RLF) is an Australian based global plant nutrition and carbon technology 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 CO<sub>2</sub> by increasing the organic matter in the world's soils.

RLF has been operating in Asia since 2006 with long established manufacturing, sales and distribution facilities in China, and has recently expanded its activities in Australia with the acquisition of the LiquaForce liquid fertiliser manufacturing, sales and application business in Queensland.

## About Winterleaf Holdings Pty Ltd

Winterleaf Holdings Pty Ltd is led by Mark Lewis, a seasoned expert in environmental offsets and agriculture, dedicated to developing impactful ESG appropriate strategies. Winterleaf Holdings Pty Ltd works with Australia's leading carbon offsets developer, AI Carbon, to identify, develop, and originate ACCU based carbon credits with farmers around Western Australia. Winterleaf Holdings Pty Ltd has an Introducer Agreement with AI Carbon and the company is Mr Lewis's vehicle to leverage his wide ranging agricultural and ESG background for carbon project development to assist farmers in realising their carbon farming potential.

## About RLF's ACCS Methodology

The Accumulating Carbon in Soils System (**ACSS**) methodology developed by RLF Carbon is a unique soil carbon farming method designed to integrate seamlessly with existing farm practices. Key features and benefits include:

**Carbon Sequestration:** ACSS enhances soil carbon deposits by promoting deeper and larger root growth and increasing biomass, leading to long-term carbon storage.

**Sustainable Farming:** The method reduces reliance on ground applied granular fertilisers, thereby lowering emissions and improving soil health.

**Economic Benefits:** Farmers can benefit from improved crop yields, reduced input costs, and the monetisation of carbon credits through the creation of Australian Carbon Credit Units (ACCUs).

**Regulatory Compliance:** Projects using the ACSS method comply with the Clean Energy Regulator's requirements, ensuring credibility and integrity in carbon farming initiatives.