

ASX Announcement

9 September 2024

RLF AgTech Ltd Enters Strategic Alliance with Carbon Ag Solutions Pty Ltd

Key Highlights

- RLF AgTech has executed three agreements to formalise a strategic alliance with Carbon Ag Solutions Pty Ltd to develop and commercialise carbon programs, sustainable farming technologies and products, and the distribution of RLF AgTech products.
- The alliance includes the development of the new ACSS PLUS methodology, the S333 Commercialisation Venture, and a Non-Exclusive Distribution Agreement.
- The Non-Exclusive Distribution Agreement supports the Company's commitment to growth in sales of RLF products in Australian commercial farming, with Carbon Ag Solutions agreeing to a minimum sales volume of \$750,000 per year in order to keep the agreement in good standing.

RLF AgTech Ltd (ASX: RLF) (RLF or the **Company**), a leading Australian-based liquid fertiliser and plant nutrition technology company, is pleased to announce that it has entered into a series of agreements with Carbon Ag Solutions Pty Ltd (**CAS**), a company specialising in agricultural products sales and distribution, sustainable agriculture and carbon project development. These agreements aim to leverage the strengths of both companies to drive innovation, and to expand RLF's market presence in key areas of the Australian market.

Gavin Ball, Acting Managing Director of RLF AgTech, commented:

“The strategic alliance with Carbon Ag Solutions marks an important step forward for RLF as we continue to broaden our efforts in the Australian agriculture space. By combining our expertise in plant nutrition with CAS' strengths in carbon projects and sustainable farming, we are well-positioned to deliver innovative solutions that benefit both farmers and the environment. These agreements are a testament to our ongoing commitment to growth and innovation in agriculture.”

Strategic Alliance Overview

1. ACSS PLUS Agreement:

- **Objective:** This agreement focuses on the joint development of ACSS PLUS (Accumulating Carbon in Soil System PLUS), an advanced carbon sequestration methodology that combines both RLF's existing products and ACSS methodology together with CAS' products and methodology for carbon development in commercial farming.
- **Potential Impact:** The ACSS PLUS initiative could significantly enhance carbon offset capabilities while promoting sustainable farming practices.

2. S333 Commercialisation Agreement:

- **Objective:** This venture involves the development and commercialisation of S333, a slow-release fertiliser derived from organic waste by-products. The S333 product is particularly suited for use in environmentally sensitive areas, supporting environmental sustainability goals.
- **Phased Approach:** The project will be rolled out in stages, starting with trials and evaluation, followed by product sourcing and supply agreements, and, if successful, culminating in full commercialisation.

3. Non-Exclusive Distribution Agreement:

- **Objective:** Under this agreement, RLF has appointed Carbon Ag Solutions as a non-exclusive distributor of its plant nutrition products within specified territories. This agreement will enable RLF to broaden its market reach through CAS' established distribution network.

Brad Wisewould, Managing Director of Carbon Ag Solutions, commented:

“Carbon Ag Solutions' distribution agreement with RLF Agtech offers our customer base a complete liquid nutrition package, from seed treatments and in-furrow fertilisers through to foliar products and specific trace element nutrients. These will complement our REStoreC carbon range and PowerPK high concentrate liquid fertilisers. Since 2018, Carbon Ag Solutions has dedicated \$4.5 million in research and development of REStoreC and soil carbon building from metropolitan waste streams. We have recently identified S333 as a slow-release phosphorus product ideally suited for canola production in Western Australia and especially for environmentally sensitive areas, such as in Queensland, supporting environmental sustainability goals.”

Summary of Agreement Key Terms

1. ACSS PLUS Agreement:

- **Objective:** To develop and commercialise the Accumulating Carbon in Soil System PLUS (ACSS PLUS), integrating RLF's plant nutrition products with Carbon Ag Solutions' REStoreC + PK products to enhance soil carbon sequestration.
- **Contributions:**
 - **RLF AgTech Ltd:** Provides the ACSS methodology, technical expertise, and access to RLF products. RLF will also ensure timely delivery of products and offer guidance and market opportunities.
 - **Carbon Ag Solutions Pty Ltd:** Contributes REStoreC + PK products, identifies suitable land for carbon offset projects, and coordinates with local stakeholders and regulatory bodies.

2. S333 Commercialisation Venture:

- **Objective:** To commercialise S333, a slow-release fertiliser produced from waste by-products, for use in broadacre and horticulture in Queensland.
- **Phases:**
 - **Stage 1:** Trials and evaluation of S333 across various crops including chickpea, cotton, sorghum and sugarcane.
 - **Stage 2:** Procurement of supply agreements for the extraction and continuous supply of S333 product.
 - **Stage 3:** Full commercialisation, including logistics, marketing and distribution jointly managed by RLF's subsidiary, LiquaForce.

3. Non-Exclusive Distribution Agreement:

- **Objective:** To distribute RLF's plant nutrition products across Western Australia through Carbon Ag Solutions' distribution network.
- **Terms:**
 - **Distribution Rights:** Carbon Ag Solutions will have the non-exclusive right to distribute RLF's products, including marketing and promotional activities.
 - **Product Supply:** RLF will supply the agreed products to Carbon Ag Solutions on commercial terms specified in the agreement, including minimum order quantities of no less than \$750,000 per year and pricing structures. (**Minimum Purchase**). Whilst the Minimum Purchase is not guaranteed, failing to achieve the Minimum Purchase could result in termination of the agreement.
 - **Duration:** The agreement is set for an initial term of five years, with an option to renew for an additional five years, subject to performance.

This announcement has been authorised for release by the Board of Directors of RLF AgTech Ltd.

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About RLF AgTech Ltd (ASX: 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 CO₂ 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.

The Company has recently obtained the right to operate, manufacture and sell RLF products in the Australian agricultural marketplace following the cessation of an exclusive distribution rights agreement previously held by an external party. This represents an opportunity for the Company to expand its business in Australia.

About Carbon Ag Solutions

Carbon Ag Solutions Pty Ltd is an innovative agricultural company dedicated to improving the long-term health and sustainability of farming soils. The company specialises in developing and delivering unique crop input products that enhance soil structure, boost organic carbon levels and improve overall soil biological activity. By focusing on soil health, Carbon Ag Solutions aims to increase agricultural productivity and profitability for farmers.

The company's product range includes various organic carbon-based inputs such as carbon granules, loose composts and liquid fertilisers. These products are designed to address the specific needs of different soils, particularly those with low nutrient levels and poor cation exchange capacity. Carbon Ag Solutions also offers advanced soil data collection and analysis services to help farmers make informed decisions for both seasonal and long-term farm management.

In addition to their core products, Carbon Ag Solutions is actively involved in carbon sequestration initiatives, collaborating with leading industry providers to explore the potential for establishing carbon credits through improved soil carbon levels. This aligns with their commitment to sustainable agriculture and environmental stewardship.