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ASX RELEASE / MEDIA RELEASE

Fertoz Sales Update: Strong Start to CY21

HIGHLIGHTS:

- Record start to 2021, achieving the most deliveries of any winter period to date in the March quarter
 - North America, Australia and Philippines are all seeing increasing demand for Fertoz products
 - Monterrey Mexico rock phosphate orders growing steadily with increased contribution from the US southeast
 - New carbon initiatives and fertilizer services associated with satellite imagery under development and expected to result in orders in 2021
 - Ready to order in-house granulation equipment on completion of Rights Issue; implementing this business plan is expected to drive significant savings and improve Group margins
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Organic fertilizer company, Fertoz Ltd (“Fertoz” or the “Company”, ASX: FTZ) is pleased to update shareholders on fertilizer sales.

Pat Avery, Executive Chairman, commented: *“Excluding any potential sales of our new services related to carbon sequestration, we have begun the calendar year strongly, even though there has been a lot of disruption due to weather events. In fact, we have had our strongest first quarter in North America ever, with 600t of deliveries during the January to March winter months. As well, we have another 300t on order, currently being made by our contract granulators (and a further 500t recent order for PhoSul). Existing customers have kept ordering, often in larger volumes, and our dedicated sales team has added more customers in 2021. We have also managed to secure some longer-term contracts, that enable customers to get better freight rates. And our sales into the south eastern states using the Monterrey rock phosphate from Mexico is picking up – we are now delivering around 80t per month of this product. Australia, too, has started strongly. We have sold out of all FertAg products, and recently placed orders for another 288t for Australia and 90t for the Philippines.”*

North America

Fertoz has overcome adverse weather to achieve the most deliveries of any winter period during the first three months of 2021. Heavy snow falls, freezing rain and strong winds resulted in some double-handling of orders, but the worst of the winter weather now appears to be receding and the outlook is for much better weather leading into Spring planting. Another partner, P&H, is finalising its Standard Operating Procedures on its new 100% organic warehouse and is expected to begin ordering volumes soon.

Fertoz’s partner Propeat is finishing a major revamp so that they can produce high volumes of their patented fertilizer PhoSul, made of Fertoz rock and special sulfur blends. Fertoz has recently received a new Purchase Order from Propeat for 500 tonnes of rock phosphate for manufacturing into PhoSul.

Several of the Company's specialty customers are formulating new fertilizer products, which has driven a lot of interest in Fertoz's very fine ground 325 mesh. This size is small enough to be used in fertigation and foliar applications, expanding the Company's addressable market. Ahead of anticipated increases in demand, the Company is planning to contract with a new grinding operation. The opportunities for low-till and no-till planting to improve carbon dioxide sequestration are also expected to deliver higher sales of the Company's micronized rock phosphate products.

The Company recently announced Fertoz's low carbon footprint and sustainability efforts and is aware that some of its products is going into commercial fertilizer blends to reduce costs, help yield and reduce carbon. As part of building out its ESG credentials, Fertoz is developing services related to the inexpensive satellite imaging services noted in the Company's ASX announcement "*Carbon Trading Initiatives*" released on 22 March 2021. The Company expects demand for these services to increase over the coming 12 months.

Australia/Asia

Severe rains have led to leaching of various nutrients in Australia's east coast soils. When magnesium is leached from cattle pasture, grass tetany, a metabolic disease in cattle is the result. Fortunately, the application of FertAg can arrest this situation and Australian sales are improving due to such weather events. Recent results of FertAg applied to North Queensland avocado farms have created a lot of excitement amongst avocado growers. The Company is now experimenting with other fruits including mangoes and limes, and row crops such as organic hops (for organic beer production).

Sales in the Philippines continue to be higher than expected. The Company recently purchased a delivery vehicle to facilitate the transport of its FertAg products to farmers (refer picture below).



Authorised by the Board of Directors.

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