

8 July 2021

ASX RELEASE / MEDIA RELEASE

\$5 million Placement to Develop Fertoz Carbon

HIGHLIGHTS

- Fertoz to raise \$5 million via Share Placement to accelerate development of its Fertoz Carbon division
- Fertoz also plans to recruit more carbon specialists and expand its North American organic phosphate sales team
- Placement to be completed in two tranches, with Tranche 2 subject to shareholder approval
- Placement conducted at \$0.15 per share represents a 0.6% discount to Fertoz's 15-day VWAP of \$0.151 per share

Organic phosphate development company, Fertoz Ltd ("Fertoz" or the "Company", ASX: FTZ), is pleased to announce it has received firm bids for a \$5 million Share Placement to sophisticated and professional investors via the issue of 33,333,333 shares at \$0.15 per share, to be completed in two tranches ("Share Offer").

Fertoz plans to use funds from the Placement to accelerate development of its Fertoz Carbon division, which will focus on carbon sequestration, consulting activities, trading and implementation of carbon strategies using Fertoz organic fertilizers a key input into improving soil health and therefore carbon accretion.

The strengthened balance sheet will also empower the Company to recruit additional carbon specialists and expand its North American organic phosphate sales team, as well as add to its working capital.

Fertoz Executive Chairman, Patrick Avery, stated:

"Our Carbon division is an exciting growth opportunity for Fertoz, and we are pleased to receive strong support from new and existing shareholders to enable us to accelerate its development. Carbon credits are a growing trend right now and we want to capitalise on our position to be a leader in this field. Our Carbon division has already proved popular with customers and will greatly enhance our ESG credentials.

"In addition, completing this \$5 million placement will enable us to grow our sales team in North America, and it is important to us to continue to scale up our organic fertilizer operations as the foundation of our business across multiple regions."

The Placement price of \$0.15 per share represents a 0.6% discount to the 15-day volume weighted average price (VWAP) of \$0.151 per share.

The Placement will consist of:



ASX: FTZ

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Board of Directors

Executive Chairman
Non-Executive Director
Non-Executive Director
NED/Company Secretary

P. Avery
S. Richardson
J. Chisholm
J. Stedwell

Key Projects

Wapiti
Fernie

Ownership: 100%
Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

- a) up to 20,000,000 fully paid ordinary shares in the capital of the Company (“Shares”) at an offer price of \$0.15 per Share to raise up to approximately \$3,000,000 (before costs) (“Tranche 1”), together with;
- b) Up to 13,333,333 Shares at an offer price of \$0.15 per Share to raise up to approximately \$2,000,000 (before costs) (“Tranche 2”) subject to the Company obtaining shareholder approval for the issue of shares pursuant to ASX Listing Rule 7.1 (and for all other purposes required by law and the ASX Listing Rules)

The Shares issued under the Share offer will be listed on ASX and will rank pari-passu with the existing fully paid ordinary shares in the capital of the Company. The Tranche 1 Shares issued under the Share Offer will be issued pursuant to the Company’s existing placement capacity (15%) under ASX Listing Rule 7.1. The Tranche 2 Shares issued under the Share Offer will be subject to shareholder approval, with such shareholder approval intended to be sought at an EGM to be scheduled in approximately 6 weeks.

Fertoz will use proceeds from the Placement to:

- Accelerate development of Fertoz Carbon – staffing / advisory board (A\$1.5m)
- Adding to Australian operation carbon specialists (A\$0.3m)
- North America – expand organic phosphate sales team (A\$0.25m)
- Increase working capital (A\$2.64m)
- Pay the costs of the offer (A\$0.31m)

JP Equity Partners was Lead Manager to the Placement.

Authorised by the Board of Directors.

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