

Fertoz

22 August 2022

ASX RELEASE / MEDIA RELEASE

FERTOZ RAISES \$5 MILLION TO ACCELERATE CARBON AND FERTILIZER BUSINESS

HIGHLIGHTS:

- Fertoz receives firm commitments for \$5 million in a heavily oversubscribed placement that was increased from \$4 million
- Fertoz will use funds to accelerate its Carbon and Fertilizer divisions including finalizing construction of a fertilizer pellet plant in Montana and a reforestation project in SE Asia
- Fertoz delivered record 1H FY22 phosphate sales and 2H order book is expected to exceed CY21 sales
- Fertoz Directors will invest \$150,000 as part of the Placement, subject to shareholder approval.

Regenerative Ag and carbon credit development company Fertoz Ltd (ASX: FTZ, “Fertoz” or “the Company”) is pleased to announce it has received firm commitments for a \$5 million Share Placement (before costs) via the issue of 27,777,779 shares at \$0.18 per share.

Fertoz plans to use funds from the placement to further accelerate its carbon projects in reforestation and agriculture through additional staff, project advancement and technical reports. In addition to this, further investment will be made in our fertilizer processing and storage facilities to increase efficiency gains and quality while meeting its expanding order book and working capital requirements. The detailed summary of use of funds is as follows;

- Accelerating development of Fertoz Carbon – staffing, project advancement & technical reports (A\$0.5m)
- North America – expand organic phosphate sales team (A\$0.3m)
- Fertiliser dry storage facilities to meet expanding order book (A\$0.4m)
- Increase working capital (A\$3.5m)
- Costs of the offer (A\$0.3m).

The Placement to sophisticated and institutional investors will be completed in two tranches with Fertoz Directors being tranche 2, subject to shareholders approval.

ASX : FTZ



Registered Office

Level 5,
126 Phillip Street
Sydney NSW 2000
Ph: +61 2 8072 1400
office@fertoz.com
www.fertoz.com

Board of Directors

Executive Chairman P. Avery
Non-Executive Director S. Richardson
Non-Executive Director G. West
Company Secretary N. Taylor
Company Secretary M. Crowley

Key Projects

Wapiti Ownership: 100%
Fernie Ownership: 100%

Fertoz Ltd

A.C.N. 145 951 622

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Fertoz CEO, Daniel Gleeson, stated: *“Fertoz demonstrated in 1H CY2022 that we are on the cusp of major growth. Our results validated our strategy to focus on sales in both the organic and emerging regenerative agriculture sector while investment in our carbon division is gaining positive momentum.*

“We are expecting to generate continued strong fertilizer sales in 2H CY22 with a solid order book in place as well as construction of our fertilizer plant in Montana, while our Carbon division is finalizing design of a large-scale reforestation project by year-end and securing acres in Canada.

“Completing this \$5 million share placement will allow us to continue this momentum and we are grateful for the support received from our existing investors and welcome new shareholders as we focus on the growth opportunities in regenerative agriculture and global carbon projects. We look forward to delivering results that prove we are on the path to success.”

Placement Details

The Placement will consist of:

- Issue of 26,944,445 fully paid ordinary shares in the capital of the Company (“Shares”) at an offer price of \$0.18 per Share to raise up to \$4,850,000 (before costs) in Tranche 1; and
- a second tranche of up to 833,334 Shares at an offer price of \$0.18 per Share to be issued to directors of the Company (“Director Shares”) subject to shareholder approval under Listing Rule 10.11, to raise up to \$150,000 (before costs).

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 issue price of \$0.18 per share represents a ~15% discount to the 15-day VWAP of \$0.212 up to 18 August 2022. The Shares (other than the Director Shares) issued under the Share Offer will be issued on 29 August 2022, pursuant to the Company’s placement capacity under Listing Rule 7.1 and 7.1A. The Director Shares will be issued subject to shareholder approval, which will be sought at the next General Meeting of the Company, held no later than 31 May 2023.

JP Equity Partners was Lead Manager to the offer with Blackwood Capital Pty Ltd acting as Co-Manager. As consideration for acting as Lead Manager to the Placement, the Lead Manager and Co-Manager will receive a capital raising fee of 6% of the total funds raised (\$300,000) and be issued 2,500,000 unlisted options with an exercise price of \$0.27, expiring 3 years after issue. The issue of 1,600,000 unlisted options is subject to shareholder approval pursuant to ASX Listing Rule 10.11.

Approval

This release has been approved by the Board of Fertoz Ltd.

For further information, please contact:

Daniel Gleeson

CEO

Fertoz Limited

daniel.gleeson@fertoz.com

Nathan Ryan

Investor and Media Enquiries

NWR Communications

+61 420 582 887

www.fertoz.com

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