ASX ANNOUNCEMENT
15 November 2023

PUTTING CARBON BACK INTO THE SOIL

Fertoz secures $1.23M via Convertible Note issue

Highlights

- **Fertoz has received subscriptions for a total of $1.23 million from the issue of unlisted Convertible Notes**
- **Fertoz will used proceeds to provide working capital and ensure adequate Fertify™ inventory for Spring sales commencing March 2024**
- **Fertify sales are continuing through the December quarter as the plant operates at optimal capacity**
- **Outlook remains positive for Fertify sales into USA through Spring.**

Sustainable land management company **Fertoz Limited** (**Fertoz** or the **Company**) (ASX:FTZ) is pleased to advise it has received binding subscriptions for $1.23 million of Convertible Notes.

Fertoz Managing Director and CEO Daniel Gleeson thanked subscribers for their support in the issue.

"This necessary working capital will enable Fertoz to manufacture Fertify inventory for immediate sale in 1H 2024. The Fertify selling season is predominately a USA spring application and along with our partner in the Fertify plant, we anticipate a solid start to 2024 Fertify sales.

"We have refocused our North American operations to maximise sales and cash generation from ongoing sales of Fertify and rock phosphate and we look forward to building this momentum further in the year ahead."

Offer Details

A summary of the material terms of the Convertible Note are set out in Annexure A of this announcement.

Fertoz appointed Blackwood Capital Pty Ltd as Placement Agent. Fertoz allocated Convertible Notes to clients residing in Australia and allocation was made on the basis that the Convertible Note will only be offered to clients in, or are residents of Australia if they are persons to whom offers and issues of the Convertible Note can be made by the Company without the need for a disclosure document to be lodged with the Australian Securities and Investments Commission, pursuant to section 708 of the Corporations Act 2001 (Cth) (**Corporations Act**).

Allocations of Convertible Notes were to clients which are “sophisticated investors” or “professional investors” within the meaning of sections 708(8) and 708(11) of the Corporations Act and are also “wholesale clients” for the purposes of section 761G of the Corporations Act. The Placement is not offered in Australia to and is not capable of acceptance in Australia by any other person. No related party or associate of same participated in the Offer.

The Company will issue 1,230,000 Convertible Notes with a face value and issue price of $1.00. The Convertible Notes will be unquoted and unsecured notes. The Convertible Notes will be issued pursuant to the Company’s placement capacity under ASX Listing Rule 7.1.

Key Dates

Trading Halt	Monday, 13 November 2023
Resume normal trading and announce results of Offer	Wednesday, 15 November 2023
Settlement of Convertible Notes under the Offer	Friday, 17 November 2023
Allotment and trading on Convertible Notes under the Offer	Monday, 20 November 2023

Ends

Approval

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

For further information, please contact:

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Annexure A – Summary of Material Terms

Item	Terms
Investor	Noteholders are sophisticated investors or professional investors within the meanings of section 708(8) or 708(11) of the Corporations Act or that the Note issue does not otherwise need disclosure to investors under Part 6D.2 of the Corporations Act
Placement Agent	Blackwood Capital Pty Ltd
Issue Proceeds	Funding to be provided as an AUD denominated unsecured convertible note The Principal Amount to be drawn in full on or before Financial Close.
Financial Close / Settlement Date	Friday, 17 November 2023
Term / Maturity Date	3 years from Financial Close Date
Base Coupon Rate & Payment	10% per annum, paid quarterly in arrears.
Conversion	At the Noteholder's option, all of their Notes can be converted at any time into ordinary shares of the Company at the Conversion Price to ordinary share up to Maturity Date. Mandatory conversion by Fertoz Limited upon maturity (36 months) at the Conversion Price into ordinary shares. Shares issued on the conversion of Convertible Notes will rank in all respects equally with all other ordinary shares on issue.
Conversion Price	$0.10 per share (adjustable as per ASX Listing Rule requirements)
Conversion Limitations	Following execution of the Convertible Note Agreement/Deed the Convertible Notes may be converted at any time. The Noteholder must comply with Chapter 6 of the Corporations Act at the time of any conversion, including section 606(1)-(2)
Resale restrictions	Notes may not be sold or transferred prior to the Maturity Date without the Company's consent. *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82* provides relief for offers of convertible or converting notes to institutional investors (or that are otherwise permissible without prospectus disclosure) so that the underlying securities (ordinary shares) can be on-sold to retail investors without a prospectus. The ASIC relief

	requires the Issuer to instead provide a cleansing notice containing prospectus-like disclosure at the time the convertible notes are issued. A further condition of the relief is that certain ongoing disclosures must be included in the annual report of the Issuer during the term of the convertible notes.
Security over Issuer's assets	Unsecured
Shares on Issue / Dilution	Shares on issue at the date of this term sheet: 257,834,822 fully paid ordinary shares. Shares issued on conversion of notes: 12,300,000 fully paid ordinary shares. Total shares on issue following conversion of notes: 270,134,822 fully paid ordinary shares. Dilution Effect: 4.5%
Use of Proceeds	For working capital purposes to enable production of Fertify product for on sale to customers in FY2023 and Spring 2024.
Governing Law	The laws of New South Wales.