

RTO LIMITED
P O Box 42 258
Orakei
Auckland, 1745

21 August 2024

NZX Limited
WELLINGTON

Satisfaction of \$350,000 of secured indebtedness to Major Shareholder

RTO Limited's (NZX: RTO) (the "Company") major shareholder, Blackwell Global Group Limited ("Shareholder") holds Secured Bonds issued by the Company for the sum of \$350,000.

At the request of the independent directors, the Shareholder has agreed to:

- Capitalise \$250,000 of that indebtedness into 62,500,000 new ordinary fully paid shares at an issue price of \$0.004 per share ("New Shares"). These New Shares are able to be subscribed for by the Shareholder pursuant to the "creep" provisions of the Takeovers Code, which permits a shareholder who holds more than 50% of the shares on issue, to increase their shareholding by not more than 5% in any 12 month period, and issued under NZX Listing Rule 4.5 (15% placement rule); and
- forgive the repayment of the balance of \$100,000 of those Secured Bonds with immediate effect.

Following the issue of the New Shares, the Company will not have any liability to the Shareholder.

The Board believes that:

- this is an excellent outcome for the Company, and its shareholders;
- this arrangement strengthens the Company's balance sheet;
- this development makes the Company an attractive vehicle for a reverse takeover transaction, now that the indebtedness to the Shareholder has been extinguished.

The funds that have been freed up by virtue of this arrangement, together with the Company's additional free cash, will be deployed by the Company towards:

- the payment of the Company's ongoing compliance and administrative costs; and
- investigating a reverse takeover transaction.

The focus of the Board now is to actively pursue a reverse listing transaction.

END

Contact:
Sean Joyce
Chairman
Blackwell Global Holdings Limited
Auckland
M: + 21 865 704
E: sean@corporate-counsel.co.nz