



ROTOGRO

ASX Release  
26 April 2021

## Verity Greens Indoor Vertical Farming Facility Update

Roto-Gro International Limited (“ASX:RGI”, “RotoGro” or the “Company”) is pleased to announce that Verity Greens Inc. (“Verity Greens” or “Verity”) has confirmed that its first flagship indoor vertical farming facility utilising RotoGro’s full-facility patented and proprietary cultivation technology will be situated in Canada.

### Highlights

- **Verity Greens completes a full-spectrum market analysis and announces that Canada** will be the jurisdiction in which it will construct its first, flagship indoor vertical farming facility, outfitted with RotoGro’s patented and proprietary agricultural technology.
- Pursuant to the **binding \$10M Technology License Agreement** executed between RotoGro and Verity Greens, Verity Greens must purchase 624 RotoGro Model 710 Rotational Garden Systems to retain exclusivity beyond December 31, 2021. This Agreement also provides for the payment by Verity Greens of annual software licensing fees and a **scaling net profit share up to 5% of the net proceeds generated by each Verity Greens facility** utilizing RotoGro’s Model 710 Rotational Garden Systems, expected to generate long-term, sustained recurring revenue for RotoGro.
- Verity Greens is **collaborating with international fresh produce distributors and retail supermarkets**, instrumental to its strategy to secure long term off-take agreements for sustainable year-round fresh produce production.
- Verity Greens is excited to move forward with RotoGro’s patented and proprietary full-facility cultivation technology to **expand its market presence, globally**.

Pursuant to the Technology License Agreement executed between RotoGro and Verity Greens (the “**Agreement**”), Verity Greens must satisfy the following conditions:

1. Verity Greens must complete an economic market assessment and confirm with RotoGro the country that it has designated for its first cultivation facility by no later than April 30, 2021;

#### Registered and Business Office

Level 4, 100 Albert Road  
South Melbourne VIC 3205  
T: +61 3 9692 7245  
F: +61 3 9077 9233  
E: [info@rotogro.com.au](mailto:info@rotogro.com.au)

#### Directors

Michael Carli (Non-Executive Chairman)  
Michael Di Tommaso (Executive Director)  
Matthew O’Kane (Non-Executive Director)  
Terry Gardiner (Non-Executive Director)

#### Chief Financial Officer

Melanie Leydin

#### Company Secretary

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2. Verity Greens must confirm with RotoGro the city and province, territory, state or other administrative division that it has designated for its first cultivation facility by no later than September 30, 2021; and
3. Verity Greens must purchase from RotoGro no less than 624 units of the RotoGro Model 710 by no later than December 31, 2021.

In accordance with the first condition noted above, Verity Greens has completed its economic market assessment and has confirmed with RotoGro that it has designated Canada as the jurisdiction in which it will construct and outfit its first cultivation facility.

#### Update on RotoGro and Verity Greens' Collaboration

RotoGro has worked continuously with Verity Greens to establish the full-facility engineering design to ensure the proper buildout of Verity Greens first facility to be comprised of no less than 624 of the RotoGro Model 710 Rotational Garden Systems (the “**RotoGro 710**”) and supporting automated cultivation technology. Verity Greens also continues to lay the groundwork necessary not only to penetrate and succeed in the indoor vertical farming space, but to establish itself as a market leader. Verity Greens is working together with international fresh produce distributors and retail supermarkets, who will be instrumental to its strategy to secure long term off-take agreements for sustainable year-round fresh produce production.

RotoGro has cultivated several leafy greens, including various lettuce types, spinach, and bok choy, along with various herbs such as basil and coriander, with remarkable success in the RotoGro 710 at its state-of-the-art research and design facility located in Caledon, Ontario, Canada. The crops cultivated in the RotoGro 710 yield substantially more produce per square meter in comparison to the yields of traditional flat deck growing, with the plants cultivated in the RotoGro 710 displaying superior properties to those cultivated by traditional flat deck growing, including better density, weight, and taste. The Company continues to test additional crop varieties at the request of Verity Greens to ensure a broad product offering once Verity Green's first facility is operational.

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**Photo 1:** RotoGro's Chief Executive Officer, Michael Di Tommaso, and Verity Greens' Chief Executive Officer, Harval Bassi, met on 15 April 2021 for a demonstration of the pre-commercial supporting automation technology, a cornerstone of competitive advantage that will be provided by RotoGro to Verity Greens for its first, flagship indoor vertical farming facility to be located in Canada.

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## The Agreement

As announced 8 October 2020, the Agreement is a breakthrough, facilitating the introduction of RotoGro's patented and proprietary full-facility automation cultivation technology to the thriving indoor vertical farming ("IVF") space, with the aim to revolutionize the agricultural sector. The RotoGro Model 710 Rotational Garden Systems (the "**RotoGro Garden Systems**") and the supporting automated technology were designed specifically for the cultivation of high-quality perishable foods. This technology is expected to provide Verity Greens with the competitive advantage to flourish as a profitable indoor vertical farmer, with RotoGro's in-house testing and its corresponding financial modelling both demonstrating significantly lower operational costs associated with RotoGro Garden Systems and its supporting technology when compared to the operational costs traditionally associated with traditional IVF. This, in turn, will allow Verity Greens to offer the market not only a sustainable product, but it will also contribute to its longevity as a sustainable indoor vertical farming company.

RotoGro's Chief Executive Officer, Michael Di Tommaso states, "RotoGro's collaboration with Verity Greens is progressing well. Our relationship is a win-win situation: RotoGro will introduce our revolutionary technology into the booming indoor vertical farming space, while Verity Greens, utilizing the RotoGro Garden Systems and supporting technology, will operate with a viable and cost effective competitive advantage. . This positions RotoGro well to become a leading indoor vertical farming technology supplier, while also providing Verity Greens with the tools to become a true industry leader. Verity Green's first facility also serves to further its objectives – to roll out indoor vertical farming facilities globally utilizing RotoGro's technology not only to generate substantial revenue for both companies, but also to provide a true sustainable solution to address the issues caused by food insecurity. Canada is an ideal location to begin this venture and we are excited to move forward with Verity Greens."

Verity Greens' Chief Executive Officer, Harval Bassi, states, "Verity's partnership with RotoGro is instrumental to our path forward – our company is focused on sustainability: providing the market with food grown in a socially and environmentally sustainable manner, while also ensuring

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sustainable and exponential growth from a corporate standpoint. RotoGro's technology helps us achieve these sustainability goals by both cultivating high quality crops using less water and less power, while significantly increasing our yield to grow space footprint and simultaneously significantly lowering our projected operational expenditure. Finalizing our market analysis, while cultivating Verity into a business that the world needs, is the first step of this prosperous venture. We are revolutionizing the future of agriculture and are excited to have RotoGro as a partner."

--ENDS--

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This announcement is authorised for release to the market by the Board of Directors of Roto-Gro International Limited.

**For more information please contact:**

**Investment Enquiries**

Kirstie DeNicola

Media Relations

[info@rotogro.com](mailto:info@rotogro.com)

**About Roto-Gro International Limited**

Roto-Gro International Limited ("**RotoGro**") is an Australian company which utilises its state-of-the-art, automated agricultural cultivation technology to provide sustainable and cost-effective solutions to both conventional and indoor vertical farms. The Company's global operations are focused on the cultivation of perishable food (produce) and lawful cannabis utilising its proprietary, patented, and patents-pending technology in the indoor vertical farming space.

The core of RotoGro's technology is its patented Rotational Garden Systems which provides for greater space savings and yields with lower operating costs compared to other farms utilising different technologies. RotoGro's Rotational Garden Systems are supported by the Company's proprietary iGrow Enterprise Edition software, state-of-the-art nutrient management system and in-house design and engineering services.

RotoGro's in-house engineering teams provide consultative services for full facility designs to produce state-of-the-art facilities equipped with RotoGro's technology. Similarly, RotoGro's research and design teams work with its existing customers to ensure their long-term success cultivating high-quality crops.

RotoGro has formalised a collaboration with Verity Greens Inc. for the cultivation of perishable foods (produce). This venture is reliant upon RotoGro's technology to produce greater yields with lower operating costs. In addition, RotoGro continues to nurture relationships for technology sales and growing management services in the lawful cannabis cultivation space, globally.

RotoGro maintains its focus on expansion into industry synergistic opportunities and exploring strategic partnerships in the perishable food (produce) space and the lawful cannabis space, while sourcing lawful cannabis cultivation license ownership opportunities, engaging in growing management services contracts, and providing the agricultural industry with industry-leading nutrient management systems and supporting, automated technology.

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