



ASX Release
18 May 2021

RotoGro Executes Memorandum of Understanding with Fresh Leaf Limited, a Leading Australian Cultivator and Distributor of Fresh Herbs

Highlights

- **Memorandum of Understanding (“MOU”) executed with Fresh Leaf Limited** for a trial of three RotoGro Model 710 Rotational Garden Systems at Fresh Leaf’s farming facility in Victoria, Australia.
- Fresh Leaf produce and market more than 200,000 bunches per week of 40 different types of herbs and leafy greens for major retailers, independent supermarkets, green grocers, and the hospitality industry.
- This represents an extension of an existing Canadian trial, with the **long-term goal of deploying RotoGro’s technology in commercial production in Australia.**

Overview

Roto-Gro World Wide (Canada) Inc., a wholly-owned subsidiary of Roto-Gro International Limited (“ASX:RGI”, “RotoGro” or the “Company”), is pleased to announce that it has entered into a Memorandum of Understanding (the “MOU”) with Fresh Leaf Limited (“Fresh Leaf”) to conduct trials for the production of high-value crops in RotoGro’s Model 710 Rotational Garden Systems (the “Garden Systems”) in both Canada and Australia, with the intent to explore synergistic opportunities for the development of full-scale commercial cultivation facilities in the jurisdiction of Oceania, including Australia and New Zealand (the “Jurisdiction”).

RotoGro’s Chief Executive Officer, Michael Di Tommaso, states, “RotoGro’s collaboration with Fresh Leaf is an important step forward for the Company. We have been working with Fresh Leaf’s team for several months, exploring the use cases for RotoGro’s patented and proprietary cultivation technology, with specific emphasis on our Model 710 Rotational Garden Systems. This MOU is an represents an important next step of RotoGro’s technology commercialisation. These trials are the

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first step in establishing that RotoGro's Garden Systems (together with our full-facility automation systems) will be a sustainable technology to support the scaling of commercial production for Fresh Leaf throughout the region."

Fresh Leaf's Chief Executive Officer, Jan Vydra, states, "Fresh Leaf is committed to providing a consistent experience for our consumers in Australia all year round. The team at Fresh Leaf is passionate about innovating for good, constantly looking for new sustainable ways to grow fresh produce, regardless of the challenging external climactic environment. We are excited to explore the potential of vertical farming via a trial with RotoGro."



Photo 1: Fresh Leaf's Generation 2, Fixed Nutrient Tables



Photo 2: Fresh Leaf CEO Jan Vydra standing alongside Fresh Leaf's Generation 3 moving tables growing basil

Memorandum of Understanding

Canadian Trials

RotoGro has agreed to conduct product trials for Fresh Leaf in the Garden Systems at its research and design facility located in Ontario, Canada (the "**Canadian Trials**"). RotoGro is currently testing the following 4 different herbs varieties for Fresh Leaf: basil, coriander, flat parsley, and curly parsley. RotoGro and Fresh Leaf's agronomy teams are collaborating during these trials to optimize

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the cultivation schedules and plant properties, with a view to optimize yield per m², plant nutrient and medium concentrations, planting densities, and light spectrum efficacy.

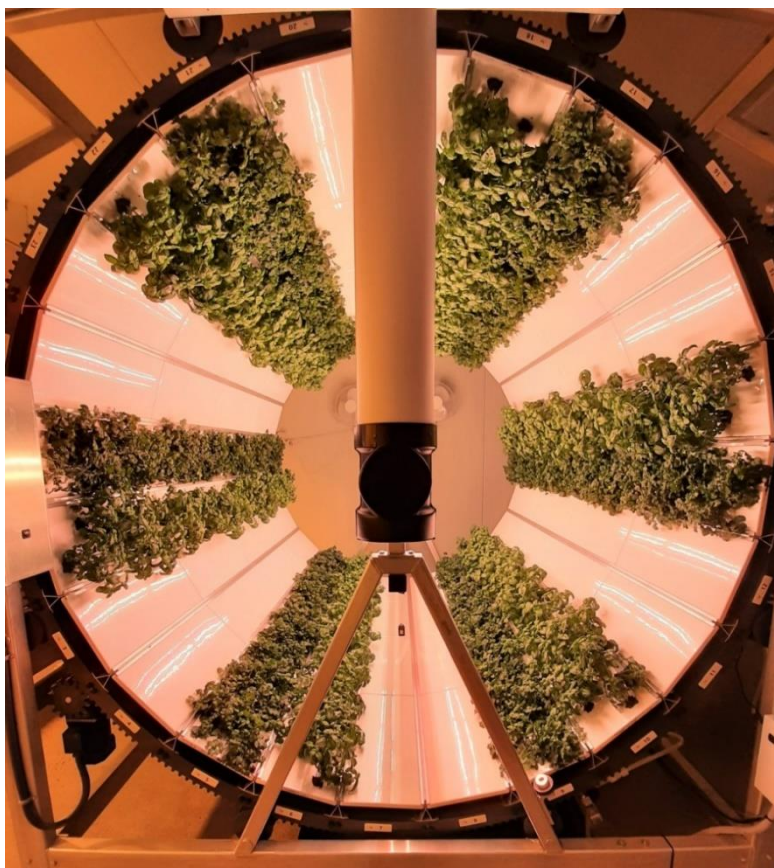


Photo 3: Canadian Trials - Model 710 Rotational Garden System trialling basil and cilantro for Fresh Leaf (half-planted)

Australian Trials

RotoGro and Fresh Leaf intend to expand the product trials internationally, with Fresh Leaf utilising 3 Garden Systems at its advanced farming facility located in Victoria, Australia (the “**Australian Trials**”) to further assess the commercialisation of the Garden Systems in Oceania. Fresh Leaf is currently constructing a test site for the Australian Trials. RotoGro and Fresh Leaf will collaborate to

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assess potential companion light and energy technologies. At the conclusion of the trial, Fresh Leaf may purchase 48 Garden Systems to support the next scale through a pre-commercial pilot facility.

Pre-Commercial Facility

Subject to the results of the Australian Trials, RotoGro and Fresh Leaf intend to commence negotiations to assess the construction of a pre-commercial pilot facility in Australia (the “**Pilot Facility**”). The Pilot facility may utilise the prospective companion light technology, as well as behind the meter renewable energy provided by a leading renewable energy generator. The Pilot facility will aim to showcase a profitable vertical farm that has no seasonality and can be scaled at mass.

Commercial Facility

The objective of the Canadian Trials, Australian Trials, and Pre-Commercial Facility is to establish a long-term and sustainable collaboration between RotoGro and Fresh Leaf throughout Oceania. This is intended to initiate Fresh Leaf’s first, full-scale commercial facility utilising RotoGro’s technology in Jurisdiction.

Ongoing Relationship Between RotoGro and Fresh Leaf

In accordance with the Memorandum of Understanding (and a separate agreement with Verity Greens Inc.), Fresh Leaf will have the exclusive right to use the Garden Systems for the cultivation of perishable foods in Oceania until the earlier of the completion of the Australian Trials (projected to be 31 December 2021) and 31 March 2022, at which time the parties will discuss the potential Definitive Purchase and Sale Agreement for the Garden Systems required for the Pre-Commercial Pilot and to renew the exclusive sublicense rights in Oceania.

Verity Greens Inc.

Pursuant to the Technology License Agreement between RotoGro and Verity Greens Inc. (as announced 1 December 2020), Verity Greens Inc. holds the exclusive worldwide license to use the Garden Systems’ technology (subject to various conditions and restrictions pursuant to the Technology License Agreement). Verity Greens Inc. intends to grant Fresh Leaf with exclusive rights to use the Garden Systems in Oceania (subject to conditions, pursuant to an Acknowledgement and Undertaking executed

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and delivered by Verity Greens Inc.), for the purpose of commercializing the Garden Systems internationally.

--ENDS--

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

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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

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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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