



ROTOGRO

ASX Release

4 October 2021

RotoGro Receives Initial CAD\$1 Million Purchase Order from Canniberia LDA

Highlights

- RotoGro and Canniberia LDA previously executed a Purchase and Sale Agreement for the purchase of RotoGro's Rotational Garden Systems, for a total purchase price of CAD \$1.9M.
- Canniberia's cannabis cultivation license has been pre-approved by Portugal's Infarmed I.P., a condition precedent for the initial Purchase Order pursuant to the Purchase and Sale Agreement.
- Canniberia has now provided RotoGro with an initial Purchase Order valued at CAD \$1.039M for the first technology order consisting of 72 RotoGro Garden Systems and a Plant Nutrient Management System.

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 received an initial purchase order from Canniberia LDS ("Canniberia") in the amount of CAD \$1.039M (the "Purchase Order") for the first phase of the RotoGro technology orders. The Purchase Order is delivered pursuant to the previously executed Purchase and Sale Agreement between RotoGro and Canniberia, which provides for the purchase of 144 RotoGro Rotational Garden Systems and 1 RotoGro Plant Nutrient Management System (together, the "RotoGro Technology") for the total purchase price of CAD\$1,904,000.00 (the "Agreement").



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Matthew O'Kane (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

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Company Secretary

Andrew Palfreyman



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The Purchase Order

The Purchase Order for the RotoGro Technology, valued at CAD \$1.039M, demonstrates Canniberia’s commitment to RotoGro as its exclusive technology supplier for its project. Canniberia had received pre-approval for its cannabis cultivation license in Portugal and is currently building out its facility for the cultivation of medicinal cannabis (the “**Canniberia Facility**”). The Company expects to deliver and install the RotoGro Technology at the Canniberia Facility in early Q1 CY2022. In response to ongoing administrative delays caused by the COVID-19 pandemic, RotoGro has agreed to grant Canniberia an extension of the date for the payment of 50% of the First Order to December 15, 2021.

The European Cannabis Market

The Company determined that Portugal could serve as its strategic entry point to the European lawful cannabis market – a market projected to experience significant growth. This market growth was recently discussed in an article by Barbara Pastory of Prohibition Partners, “Although fragmented legislation might somehow be a hindrance to the market reaching its full potential quickly, the gradual legalisation of adult-use cannabis will mark a significant turning point for the industry and opportunities will arise as a result. As highlighted in The European Cannabis Report: 6th Edition, we project that sales of adult-use cannabis will reach €200 million by 2023, coming close to €800 million in 2025. To put these figures into context; when cannabis was legalised in Canada, the illicit market for cannabis was worth €800 million. It took just two years for the legal adult-use cannabis industry to take away half of the market share.”¹

RotoGro currently seeks further partnerships to expand throughout Europe as a technology partner for cultivators of lawful cannabis. This business model bodes well for the Company owing to the significant operational advantages of its patented and proprietary cannabis cultivation technology

¹ *Adult-Use Cannabis Legalisation in Europe: The Final Countdown Begins* (July 16, 2021), Barbara Pastory, Director of Strategy & Data, Prohibition Partners (prohibitionpartners.com/2021/07/16/adult-use-cannabis-legalisation-in-europe-the-final-countdown/)

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to prospective customers, while generating technology sales and securing recurring revenue through profit-share agreements.

Commentary:

RotoGro’s Chief Executive Officer, Michael Di Tommaso, states, “Canniberia’s Purchase Order demonstrates their firm commitment to proceed with RotoGro as its cannabis cultivation technology partner. The Canniberia project is moving along steadily, despite minor COVID-19 related setbacks, and the Company looks forward to entering Europe’s lawful cannabis space alongside Canniberia.”

Canniberia’s Chief Executive Officer, Paulo Leandro, states, “Providing RotoGro with our Purchase Order for the first set of 72 Garden Systems and Plant Nutrient Management System demonstrates great progress. This Purchase Order secures and demonstrates our commitment to RotoGro as our exclusive technology partner in the region. We are excited to continue progressing forward with this project and begin operations as soon as reasonably practicable.”

--ENDS--

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

For more information please contact:

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About Roto-Gro International Limited

Roto-Gro International Limited (“**RotoGro**”) is an Australian agricultural technology company. RotoGro utilises its state-of-the-art, automated agricultural cultivation technology to provide sustainable and cost-effective solutions to the thriving indoor vertical farming market. The Company’s global operations are focused supplying

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its proprietary, patented, and patents-pending technology to the indoor vertical farming space for both perishable food (produce) and lawful cannabis.

The core of RotoGro's technology is its patented Rotational Garden Systems, which provide optimized yields per square meter and significantly lower operating costs when compared to other indoor vertical farming technologies. RotoGro's Rotational Garden Systems are supported by its proprietary Enterprise Edition iGrow software, state-of-the-art nutrient management system, automation technologies, 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. Further, RotoGro's research and design team works 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-specific synergistic opportunities and exploring strategic partnerships in both the perishable food (produce) and the lawful cannabis space.



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