



ROTOGRO

RotoGro Signs Perishable Food Investment and Technology Agreement

- RotoGro has entered into a binding letter of intent with organic perishable foods grower, Gibio Inc.
- The LOI provides for RotoGro to subscribe for up to 49% equity in Gibio Inc. and includes a 20-year exclusive, manufacturing, technology and service contract
- Gibio Inc. aspire to the achievements of New Jersey-based AeroFarms LLC and Silicon Valley-based Plenty Unlimited Inc.
- Gibio intends to build an 80,000 square foot flagship facility (equivalent to 800 four feet diameter machines) and aims to roll out a further 10 facilities over the next five years.
- RotoGro's equity interest in Gibio's global growing facilities provides depth to the Company's second vertical of growing management and growing facility ownership

Roto-Gro World Wide (Canada) Inc., a wholly-owned subsidiary of Roto-Gro International Limited ("**ASX:RGI**", "**RotoGro**" or the "**Company**"), has entered into a binding letter of intent with organic perishable foods grower, Gibio Inc. (the "**LOI**"). The LOI provides for RotoGro to subscribe for up to 49% equity participation in Gibio and includes a 20-year exclusive, manufacturing, technology and service contract for all rotational garden systems required for Gibio's perishable food production facilities globally.

Gibio Inc. - Company Background:

Gibio Inc. a company located and incorporated in St Apolinaire, Quebec, Canada in 2016 for the purpose of developing large scale perishable food growing facilities globally ("**Gibio**").

Gibio's mission is to develop environmentally responsible local farms which defy traditional growing seasons to enable sustainable, socially responsible and traceable organic produce all year round. Building, owning and operating perishable farms led by RotoGro's Rotational Hydroponic Garden Technology and Gibio's bespoke growing know-how ensures produce is grown with maximum efficiency, minimal water and without pesticides or herbicides.

Gibio and Roto-Gro Inc have been working together over the past 12 months trialling, testing and customising the RotoGro Rotary Hydroponic Garden System with Gibio's growing know-how and bespoke substrate technology.

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Market Peers in the Vertical Farming Perishable Foods Space:

Small-scale indoor farms have demonstrated the benefits of compact vertical farming for many years. In response to increasing real estate prices, energy and transportation costs, the scarcity of fertile land, and the limitations of seasonal growing, there has been a concerted effort by the agricultural community to utilise urban spaces for the efficient growing of perishable foods.

Research has shown indoor vertical farming systems have the capacity to produce up to 350 times the volume of produce compared with a conventional farm occupying the same footprint, while using significantly less water and providing consistent quality year-round. The hermetically-sealed, climate-controlled indoor growing facilities provide shelter from the elements, weeds, insects and pests which eliminates the need for harmful herbicides and pesticides whilst providing safe, dependable and nutritious food.

Two companies leading the charge for sustainable indoor vertical farming are New Jersey-based AeroFarms LLC ("**Aerofarm**") and Silicon Valley-based Plenty Unlimited Inc. ("**Plenty**").

AeroFarms has recently completed construction of its ninth indoor vertical farm; a state-of-the-art 69,000 square foot flagship production facility in Newark, New Jersey. AeroFarms' original investors, Goldman Sachs and Prudential Financial, have been joined recently by the Ikea Group and Meraas (the investment vehicle of Sheikh Mohammed bin Rashid).

Plenty recently opened its first 50,000 square foot indoor vertical farming operation in California and is currently opening its second indoor vertical farming facility in the greater Seattle area, Washington. This second facility occupies 100,000 square feet of growing area and has the potential to cultivate enough produce to feed approximately 180,000 Americans annually. Plenty has been well-supported with an investor base that includes SoftBank Vision, DCM Ventures, Bezos Expeditions (Amazon's Jeff Bezos) and Innovation Endeavors (Google's Eric Schmidt).

Details of the Transaction:

RotoGro has agreed to invest CAD \$375,000 ("Agreed Investment") in return for 9.09% of Gibio's fully paid ordinary shares on issue. Following this investment, RotoGro and Gibio will construct two (2) new rotational hydroponic garden prototypes, bespoke to Gibio's operations in accordance with the technical collaboration, testing and refinement to date. Upon completion, these prototypes will undergo a final round of testing where any IP additions to RotoGro's existing designs bespoke to the Gibio operations shall be owned by Gibio.

With testing is complete, the Parties will collaborate on the design and fit-out of Gibio's first flagship indoor vertical farming facility comprising a minimum 80,000 square feet of growing footprint which is equivalent to eight hundred (800) 4' diameter RotoGro Rotary Hydroponic Garden Systems.

Acknowledging Gibio's rights to any additional components of RotoGro's existing design which are bespoke to Gibio's operations, the LOI provides that

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Gibio agrees to purchase solely from RotoGro all rotational garden systems and equipment (including future design changes) for all of its large scale perishable food growing facilities globally, and RotoGro agrees to exclusively manufacture machines containing Gibio's IP only for Gibio. This exclusivity will remain in force for an initial period of 20 years, with an option to extend for a further 20 years.

In addition to the initial 9.09% equity interest and exclusive manufacturing rights for all Gibio facilities worldwide for a period of 20 years, RotoGro has the opportunity (subject to Gibio board approval) to increase its participation in Gibio's share capital by way of subscribing for additional shares up to 49% of Gibio's issued share capital.

The President of Gibio, Gino Poirier states, "We are very excited to partner with RotoGro in our aspirations to be the global leader in organic perishable foods. Our relationship over the past 12 months has highlighted the strength of RotoGro's innovation, engineering and solutions-based approach to our design requests. We look forward to moving to the design and construction phase of our first 80,000 square foot flagship facility after which we aim to roll out a further 10 facilities over the next five (5) years."

Managing Director of RotoGro, Michael Carli states, "Our investment in Gibio is a testament to the vision of both companies aligning to embark on the exciting space of large scale indoor perishable food growing facilities. Gibio's first facility will rival that of both AeroFarms and Plenty, whilst moving the needle for more efficient solutions to indoor farming. Our equity interest in Gibio's global growing facilities provides depth to our second vertical of growing management and growing facility ownership. This is a company making investment and sets RotoGro apart from its peers in both the technology and agriculture space."

Background to the Transaction:

The LOI is a result of the relationships and hard work of RotoGro's Founders who have nurtured design developments and enhancements of the RotoGro Rotary Hydroponic Garden System to suit the substrate and organic growing needs of Gibio over the past 12 months.

This opportunity with Gibio has been provided to Roto-Gro World Wide (Canada) Inc. by Roto-Gro Inc. with a view to Roto-Gro World Wide (Canada) Inc. acquiring 100% of the shares in Roto-Gro Inc., which includes but is not limited to all intellectual property, contracts, inventory, plant and equipment of Roto-Gro Inc. such that Roto-Gro International Limited would own all proprietary, patented, and patents-pending technology in the stackable rotary hydroponic garden space for lawful medicinal and recreational cannabis, pharmaceuticals, nutraceuticals, perishable foods and all other rotary garden growing applications for the RotoGro Hydroponic Garden System.

--ENDS--

For more information please contact

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About Roto-Gro International Limited

Roto-Gro International Limited is an Australian-based company with licensed, proprietary, patented, and patents-pending technology in the stackable rotary hydroponic garden space. RotoGro hold worldwide exclusive licenses for lawful medicinal and recreational cannabis markets and hold worldwide non-exclusive licences for all other purposes including pharmaceuticals, nutraceuticals and perishable foods.

RotoGro's wholly-owned subsidiary, Global Fertigation Solutions Inc. ("**GFS**"), has agreed to acquire one hundred percent of the Fertigation assets, intellectual property, ongoing contacts, key personnel, industry know-how and business goodwill of Hanson Fertigation; which provides a patent-pending specialized business line for water treatment and nutrient management in the viticulture, perishable foods and lawful cannabis space. To date Hanson Fertigation has successfully provided design solutions, installations and ongoing service contracts for more than twelve (12) licensed lawful cannabis facilities in the State of Nevada and is embarking on expanding this offering globally.

The Company continues its focused on expanding into industry synergistic opportunities; exploring strategic partnerships and complimentary acquisitions in related markets, which include, lawful cannabis license ownership, growing management services, industry leading nutrients, emerging tissue culture expertise and other supporting faculties of hydroponic growing.

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