



ROTOGRO

## RotoGro to Acquire Global Ownership of IP and Manufacturing for Perishables

6 August 2018

RotoGro World Wide (Canada) Inc., a wholly-owned subsidiary of RotoGro International Limited (“ASX:RGI”, “RotoGro” or the “Company”), is pleased to announce that it has signed a Share Purchase Agreement (“SPA”) to acquire Roto-Gro Inc, which owns Roto-Gro IP Inc (which holds all intellectual property including patents & patents pending in the stackable rotary hydroponic garden space, and proprietary iGrow® growing management software) and Roto-Gro Technologies Inc (which owns the stock, plant & equipment to manufacture the Roto-Gro systems) (together the “Target Group”).

RotoGro acquired the exclusive lawful cannabis rights from Roto-Gro Technologies Inc prior to RotoGro’s IPO in 2017. The purchase of Roto-Gro Inc will give RotoGro ownership and control of exclusive rights to all orders and growing ownership opportunities in perishable foods, pharmaceuticals, nutraceuticals and all other growing purposes; and is in addition to the lawful cannabis rights.

Subject to Shareholder approval, the Company has agreed to an upfront acquisition consideration of ten million (10M) fully paid ordinary shares in the share capital of RotoGro and, subject to adjustment, up to twenty million performance shares which convert to ordinary shares in two equal tranches of ten million shares on the achievement of AUD \$5M in revenue and AUD \$10M (cumulative) in revenue generated by the RotoGro Group (including RotoGro World Wide (Canada) Inc. and the Target Group) from orders in the perishable foods space (within 18 and 30 months respectively). The Target Group is purchased on a “nil asset/nil liability basis” and the number of performance shares to be issued may be reduced depending upon whether at completion the Target Group has net liabilities

### Registered and Business Office

Level 11, 216 St Georges Terrace  
Perth WA 6000  
T: +61 8 9481 0389  
F: +61 8 9463 6103  
E: [info@rotogro.com.au](mailto:info@rotogro.com.au)

### Directors

Michael Carli (Managing Director)  
Michael Slater (Executive Director)  
David Palumbo (Non-Executive Director)  
Julian Atkinson (Non-Executive Director)

### Company Secretary

David Palumbo





ROTOGRO

In accordance with the Listing Rules, the consideration will be subject to 12 month escrow from completion.

Completion is conditional upon the following being satisfied by 30 November 2018.

- 1) Approval by RotoGro's shareholders for the issue of securities for the purposes of Listing Rule 10.1 and section 606 of the Corporations Act.
- 2) RotoGro completing due diligence on the Target Group to its sole satisfaction.
- 3) The Independent Expert opining that the acquisition is reasonable for RotoGro's shareholders.
- 4) There being no material adverse change in the business, financial or trading position, or assets, liabilities or profitability or prospects of Roto-Gro Inc, or any event reasonably likely to result in such a material adverse change.
- 5) There is no material breach, and there are no facts or circumstances that may reasonably be expected to lead to a material breach, of any Warranties before Completion.
- 6) ASX approving the terms of the performance shares.

The vendors are the Gallant family, who invented the RotoGro stackable rotary hydroponic garden space.

Managing Director of RotoGro, Michael Carli states, "The acquisition of Roto-Gro Inc. is a critical step to securing control and exclusivity of intellectual property and proprietary technology for all agricultural growing applications globally. We are currently in discussions with perishable food growers and partners across Australasia, South-East Asia and Middle East with regards to growing partnerships and offtake agreements. The acquisition of Roto-Gro Inc will also allow us to undertake cost reduction reviews of manufacturing and supply chain agreements to ensure lower production costs and maximum returns for shareholders."

Registered and Business Office

Level 11, 216 St Georges Terrace  
Perth WA 6000  
T: +61 8 9481 0389  
F: +61 8 9463 6103  
E: info@rotogro.com.au

Directors

Michael Carli (Managing Director)  
Michael Slater (Executive Director)  
David Palumbo (Non-Executive Director)  
Julian Atkinson (Non-Executive Director)

Company Secretary

David Palumbo





ROTOGRO

The Company also refers to its capital raising for \$4.56m announced on 20 June 2018, and for which 6,581,302 shares have been issued. The Company expects to issue the remaining approximately 5.4 million shares within the next 2 weeks.

--ENDS--

**For more information please contact**

**Roto-Gro International**

Adam Clode  
Investor Relations  
[adam.clode@rotogro.com.au](mailto:adam.clode@rotogro.com.au)  
+61 (0)8 9481 0389

**Investment Enquiries**

Terry Gardiner  
Barclay Wells Limited  
[terry@barclaywells.com](mailto:terry@barclaywells.com)  
+61 (0)8 6380 3333

**Investment Enquiries**

Gerry Connolly  
Emerald Capital Australia  
[gconnolly@emeraldcapital.com.au](mailto:gconnolly@emeraldcapital.com.au)  
+61 (0)481 124 822

**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 holds worldwide exclusive licenses for lawful medicinal and recreational cannabis markets and holds worldwide non-exclusive licences for all other purposes including pharmaceuticals, nutraceuticals and perishable foods.

RotoGro's wholly-owned subsidiary, Global Fertigation Solutions Inc. ("**GFS**"), provides a patent-pending specialized business line for water treatment and nutrient management in the viticulture, perishable foods and lawful cannabis space. GFS has successfully provided design solutions, installations and ongoing service contracts for more than twelve (12) licensed lawful cannabis facilities in the State of Nevada, USA and is embarking on expanding this offering globally.

The Company continues its focus 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.

**Registered and Business Office**

Level 11, 216 St Georges Terrace  
Perth WA 6000  
T: +61 8 9481 0389  
F: +61 8 9463 6103  
E: [info@rotogro.com.au](mailto:info@rotogro.com.au)

**Directors**

Michael Carli (Managing Director)  
Michael Slater (Executive Director)  
David Palumbo (Non-Executive Director)  
Julian Atkinson (Non-Executive Director)

**Company Secretary**

David Palumbo

