



24<sup>th</sup> August 2018

## RotoGro Partners with Strategic Organic Produce Group

- RotoGro has entered into a Heads of Agreement to enter into a joint venture with Freshero Pty Ltd in the organic, fresh produce supply industry
- Freshero to secure in-principal supply agreements with significant domestic and international wholesale customers for retail supermarkets
- Freshero commits to order a minimum of 100 RotoGro rotational hydroponic garden systems upon completion of its due diligence and initial testing, and agreeing formal documentation
- Formal agreement to include a commitment for 600 RotoGro rotational hydroponic garden Systems within 24 months
- RotoGro shall receive a revenue based royalty, to be negotiated

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 Heads of Agreement with Freshero Pty Ltd (“**Freshero**”) pertaining to a joint venture involving the purchase and sale of Roto-Gro rotational hydroponic garden Systems and services (the “**HOA**”).

Freshero is an aspiring organic fresh produce grower with long standing relationships across the wholesale, retail and food service space in Australasia and Southeast Asia. Led by its CEO, Mr. Tony Mahoney, Freshero is in the process of establishing urban farming growing facilities and distribution centres for fresh organic produce grown in close proximity to large urban centres.

Prior to founding Freshero, Mr. Mahoney was the founder and CEO of Nutrano Produce Group Limited ([www.nutrano.com.au](http://www.nutrano.com.au)), the CEO of Freshmax Group ([www.freshmax.group](http://www.freshmax.group)) and held several senior positions at Woolworths Group Limited for more than 10 years. During his time at Nutrano, Mr. Mahoney oversaw the vertical integration of key fruit categories providing supply chain expertise from farm to plate. Similarly, Mr Mahoney oversaw the growth of Freshmax (backed by Wolseley Private Equity) to become the largest independent fresh produce business

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fully integrated across Australia and New Zealand, securing long term supply partnerships in Australia, New Zealand and around the globe to guarantee the year-round supply of the highest quality, often exclusive produce to customers.

The HOA and the future joint venture agreements will leverage RotoGro's patented and proprietary rotational hydroponic garden systems, crop management fertigation hardware and software systems as part of Freshero's urban vertical farming offering. RotoGro will supply the capital equipment, software and management time at agreed rates, pursuant to a joint venture agreement and, in return, Freshero will commit to exclusive long-term service agreements with RotoGro for the installation of new indoor vertical farming facilities and ongoing operational management and maintenance. In addition, Freshero agrees to pay RotoGro a revenue based royalty per facility, to be negotiated. Freshero will have a worldwide first right of refusal to use RotoGro rotational hydroponic garden systems for fresh produce.

The HOA provides for an initial testing period of 120 days commencing October 1, 2018 to allow the parties to share growing knowhow and to commence the cultivation of key product lines at the Company's research and development grow rooms in Caledon, Ontario Canada. The initial testing period will host growers from Freshero at RotoGro's facility and will allow them to establish baseline crop yields for their initial chosen products and varieties.

During the period of training and testing, the parties will collaborate on key terms of a definitive joint venture agreement which will also include a joint business plan and facility design for Freshero's first urban farming facility.

Settlement of the formal joint venture agreement is conditional upon due diligence being completed to the parties' mutual satisfaction, the parties signing a definitive joint venture agreement, Freshero providing a business plan acceptable to RotoGro, Freshero entering an agreement with a wholesale or retail partner, and an initial minimum order of 100 RotoGro rotational hydroponic garden systems during the training and testing period. The proposed price to be paid for indoor vertical farming facilities and subject to refinement during the design phase, however the order for the 100 units and related fertigation systems is anticipated to be between

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approximately C\$1,050,000 and C\$1,500,000 (depending upon the size and configuration of the units).

Freshero's Chief Executive Officer, Mr. Tony Mahoney stated, "We are very excited with the opportunity to enter into this agreement with RotoGro and to establish urban farms around the world utilising RotoGro's patented and proprietary technology. The need for environmentally responsible local farms which defy traditional growing seasons whilst ensuring consistent quality organic produce year-round is ever increasing. RotoGro's proprietary technology is cutting edge and leading the way for the future of agriculture."

RotoGro Managing Director, Michael Carli states, "The Company has identified organic produce as a significant untapped market opportunity providing exposure to further sales revenue. RotoGro can leverage its proprietary growing and crop management systems, in partnership with Freshero, to take advantage of a prime opportunity to revolutionise the agriculture industry by providing high quality organic fresh produce in a controlled environment, grown in close proximity to major retail distribution centres. We will keep our shareholders updated with Freshero's advancements over the initial testing period and we look forward to working with the Freshero team to maximise the global opportunities within the fresh produce industry and future potential sales for RotoGro."

This announcement is intended to lift the voluntary suspension of the Company's securities.

--ENDS--

#### For more information please contact

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#### **About Roto-Gro International Limited**

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# ROTOGRO

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 has agreed, subject to shareholder approval, to acquire the technology 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.

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