



ROTOGRO

ASX Release

6 September 2021

## Canniberia Receives Pre-Approval for its Cannabis Cultivation License Triggering Technology Purchase Order

### Highlights

- Canniberia LDA has obtained pre-approval for its cannabis cultivation licence from Infarmed I.P.
- Pursuant to the CAD \$1.9M Purchase and Sale Agreement, the issuance of the pre-approval satisfied the condition precedent for a CAD \$1.039M Purchase Order for the First Order of RotoGro's technology, which was scheduled to be provided within 14 business days after the date on which Canniberia received the pre-approval.
- In response to ongoing international travel interruptions and Portuguese regulatory delays caused by the COVID-19 pandemic, RotoGro has agreed to extend the delivery of the Purchase Order to 30 September 2021.

RotoGro's Chief Executive Officer, Michael Di Tommaso, states, "Canniberia receiving their pre-approval for their cannabis cultivation license is an important first step for this venture. The Canniberia project will be RotoGro's first in the thriving European space, which will serve as a showcase facility, and will bring RotoGro one step closer to expanding its global presence as the leading indoor vertical farming technology partner in the controlled-environment agriculture space. For these reasons, the Company has decided to provide Canniberia with a 30-day time extension to provide the purchase order for phase one of the project. Canniberia has cited minor delays due to the pandemic, but communicates daily with the Company, expressing excitement to proceed with RotoGro as its technology partner. RotoGro remains committed to the Canniberia project and looks forward to receiving both the technology purchase order and the corresponding cash deposit on a timely basis, and then move forward with the next steps of this venture."

Canniberia's Chief Executive Officer, Paulo Leandro, states, "Canniberia's Pre-License is a milestone and something we're excited to share with RotoGro. Canniberia's lawful cannabis operation, with RotoGro as its exclusive technology partner, will pave the way in the region and beyond. We look

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Terry Gardiner (Non-Executive Director)

#### Chief Financial Officer

Karla Mallon

#### Company Secretary

Andrew Palfreyman





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forward to completing our transaction with RotoGro and beginning operations at our state-of-the-art cannabis cultivation facility in Portugal.”

## 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 Canniberia LDA (“Canniberia”) has been granted pre-approval for its cannabis cultivation license (the “Pre-Licence”) from Infarmed I.P, a government agency accountable to Portugal’s Health Ministry that evaluates, authorises, regulates, and controls human medicines and health products in Portugal.

## Key Commercial Terms of the Technology Purchase and Sale Agreement

The Purchase and Sale Agreement between the Company and Canniberia (the “Agreement”) includes a technology purchase order for 144 RotoGro Rotational Garden Systems (the “RotoGro Gardens”) and one RotoGro Plant Nutrient Management System (the “RotoGro Fertigation System”) (together, the “RotoGro Technology”). The RotoGro Gardens will be delivered in two separate orders, totalling CAD \$1.9 million. The first order is comprised of 72 RotoGro Gardens and 1 RotoGro Fertigation System (“First Order”), CAD\$1.039 million in total. The second order is comprised of a further 72 RotoGro Gardens (the “Second Order”), which is to be delivered no later than 9 months after the date on which Canniberia was issued the Pre-license.

Pursuant to the Agreement, the granting of the Pre-License satisfied the condition precedent for a CAD\$1.039 million Purchase Order for the First Order of RotoGro’s technology, which was to be provided within 14 business days after the date on which it received its pre-license. Canniberia is to provide RotoGro a cash deposit equalling 50% of the purchase price for the First Order within 5 business days after submitting its purchase order. Due to unforeseen international travel interruptions and Portuguese regulatory delays caused by the COVID-19 pandemic, the Company has extended the purchase order requirement to 30 September 2021.

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## About Canniberia LDA

Canniberia plans to establish itself as a large-scale European cultivator of high-quality medicinal cannabis products. Canniberia is currently constructing its state-of-the-art cannabis cultivation facility, which is anticipated to be completed in Q4 2021 and prior to delivery of the RotoGro Technology. Once complete, Canniberia's facility will encompass 144 RotoGro Gardens, one Fertigation System, and be supported by RotoGro's proprietary iGrow software system, automating crucial aspects throughout the entire cultivation area within the facility.

In accordance with the regulations pertaining to the pre-license, Canniberia is now permitted to commence build-out and preparation of its facility for the cultivation of medicinal cannabis (the "Canniberia Facility"), and to schedule an audit of the Canniberia Facility by Infarmed for the purpose of obtaining a final lawful cannabis cultivation licence (the "**Full Licence**"). Once scheduled, it is anticipated that such audit and the corresponding grant of the Full License will take 30 days to complete. The Company anticipates the delivery and installation of the RotoGro Technology in late Q4 2021 and early Q1 2022.



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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 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

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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-specific synergistic opportunities and exploring strategic partnerships in both the perishable food (produce) and the lawful cannabis space.



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