



ROTOGRO

ASX Release

27 October 2021

Quarterly Activities Report for the Period Ended September 30, 2021

Roto-Gro International Limited (ASX:RGI) ("**RotoGro**" or the "**Company**") is pleased to provide its quarterly activities report for the period ended September 30, 2021.

Quarter Highlights

- The Company received CAD1,039,000 Purchase Order from Canniberia LDA, a lawful cannabis cultivation company operating in Moura, Portugal, pursuant to a previously executed CAD\$1,900,000 Purchase and Sale Agreement.
- The Company executed CAD\$380,000 Purchase and Sale Agreement with Wolf Island Cannabis Inc., a lawful cannabis cultivation company operating in Ontario, Canada and received a CAD\$213,000 non-refundable deposit towards the purchase order.
- The Company participated in the first phase of the NASA and CSE Deep Space Food Challenge, an international competition promoting the development of novel food production technologies necessary for long-duration space missions and other terrestrial applications.
- The Company shipped 3 RotoGro Model 710 Garden Systems to Fresh Leaf Limited, a leading Australian cultivator and distributor of high-quality fresh herbs, pursuant to the previously executed Memorandum of Understanding.
- The Company's continued to collaborate with Verity Greens Inc. on product trials and on-site processing testing with Verity Greens' prospective off-take partners, three of which are amongst the largest fresh produce importers and suppliers in Canada.
- The Company negotiated perishable food product trials with various industry-leading fresh produce suppliers and agricultural technology companies.
- The Company produced a new cannabis cultivation product, the RotoGro Model 420 Garden System for the cultivation of cannabis mother plants.

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Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Leighton Richards (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

Karla Mallon

Company Secretary

Andrew Palfreyman





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- The Company continued to revise and refine its marketing strategies including a new Corporate Presentation and Corporate Video which are expected to be released to the market in Q4 2021.
- The Company appointed Leighton Richards, currently the CEO of WelleCo, to its Board of Directors.
- The Company appointed Keith Merker, past Chief Executive officer of WeedMD Inc. (now known as Entourage Health), and Peter Kampian, a financial executive with extensive public company experience and currently the Chief Restructuring Officer of PharmHouse Inc. and Muskoka Growth Limited, to its new Advisory Board.
- The Company has filed three applications under The Patent Cooperation Treaty claiming priority from three Patent Applications previously filed with the United States Patent and Trademark Office.
- The data arising from the Company's comprehensive crop trials at its state-of-the-art research and design facility located in Ontario, Canada indicates that RotoGro Rotational Garden Systems produce more yield per square metre and consume less electricity than other indoor vertical farming methods. The RotoGro research team continues to trial varieties of leafy greens and will begin to trial fruiting crops using its technology.
- The Company currently has several new and exciting sales leads in Canada, the United States, Australia, and Europe.

Overview

The Company remains focused on establishing itself as a leading agricultural technology partner and supplier to the indoor vertical farming market for the cultivation of perishable foods and lawful cannabis. The Company's approach to low capital joint ventures, with prospective profit-share agreements, along with synergistic acquisitions remains steadfast as it collaborates with potential customers and partners in the indoor vertical farming space.

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Operations and Business Development

The Company implemented numerous business development initiatives to drive the commercial rollout of its Model 420 Rotational Garden Systems (the “**RotoGro 420**”) and its Model 710 Rotational Garden Systems (the “**RotoGro 710**”) (together, the “**RotoGro Gardens**”), along with its Plant Nutrient Management System (the “**Fertigation System**”) and revamped Enterprise Edition iGrow Software System (the “**RotoGro Software**”) (altogether, the “**RotoGro Technology**”). The Company also finalized a full-scale marketing strategy, which will unfold over the coming weeks, to further enhance market awareness of the RotoGro Technology.

Verity Greens Inc.

Throughout the Quarter, the Company continued to collaborate with Verity Greens Inc. (“**Verity Greens**” or “**Verity**”) pursuant to the AUD\$10M Technology License Agreement (the “**Verity Greens Technology License Agreement**”) executed in Q4 2020.

RotoGro has completed extensive product testing for Verity Greens and for its prospective off-take agreement customers and partners, three of which are amongst the largest perishable food growers, suppliers, and wholesalers in Canada. The perishable foods cultivated utilizing the RotoGro 710 have been provided to Verity Greens’ prospective customers for testing in accordance with their respective processing practices. Initial feedback highlighted the superiority of plant properties, rigour, and vitality of the perishable foods cultivated utilizing the RotoGro 710, compared with similar perishable foods cultivated in conventional, greenhouse, and other indoor vertical farming operations.

The intrinsic design of the RotoGro 710 optimizes plant growth. The consistent revolution of the RotoGro 710 has been proven to result in increased plant properties due to optimized plant stress and corresponding plant adaptation, along with increased airflow, enhanced plant feeding techniques, which assist with the oxidization of plant root bases, and even distribution of variable spectrum and intensity light distribution. All of these factors distinctly and positively separate the

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product grown in the RotoGro 710s from product grown in other indoor vertical farming technologies. RotoGro continues to engage Verity Greens to secure a technology purchase order.

Verity Greens has completed its full-spectrum market analysis and has chosen the Greater Toronto Area, Ontario, Canada, as its location for its first indoor vertical farming facility to be outfitted with the RotoGro Technology.



Photo 1: RotoGro-Verity Greens Infront of Stacked Showcase Model 710 Garden Systems

Fresh Leaf Limited

During the quarter, the Company shipped 3 RotoGro 710s to Fresh Leaf Limited (“**Fresh Leaf**”) pursuant to a previously executed Memorandum of Understanding (see announcement titled “RotoGro Executed Memorandum of Understanding with Fresh Leaf Limited, a Leading Australian Cultivator and Distributor of Fresh Herbs”, dated 18 May 2021). RotoGro and Fresh Leaf executed the Memorandum of Understanding to explore synergistic opportunities for the development of

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full-scale commercial cultivation facilities in Oceania (including Australia and New Zealand), utilizing the 3 RotoGro 710s and supporting automation technology (including automated guided vehicles), proprietary software systems, and plant nutrient management systems. RotoGro and Fresh Leaf conducted product trials in Canada at the Company's state-of-the-art research and design facility located in Caledon, Ontario trialling and testing basil, coriander, flat parsley, and curly parsley to optimize cultivation schedules and plant properties.

The RotoGro/Fresh Leaf collaboration will now enter its second phase, with Fresh Leaf trialling and testing the 3 RotoGro 710s at its "advanced farming" facility located in Victoria, Australia to further assess the commercialization of the RotoGro 710 in Oceania (the "**Australian Trials**"). At the conclusion of the Australian Trials, Fresh Leaf may purchase 48 RotoGro 710s to support a pre-commercial pilot cultivation facility (the "**Pilot Facility**"). The Pilot Facility is expected to showcase a vertical farm outfitted with RotoGro 710s that is profitable, has no seasonality, and can be scaled at mass. The objective of the Canadian Trials, the Australian Trials, and the Pilot Facility is to establish a long-term and sustainable collaboration between RotoGro and Fresh Leaf leading to Fresh Leaf's first, full-scale commercial indoor vertical farming facility utilizing the RotoGro Technology.

Wolf Island Cannabis Inc.

During the quarter, the Company continued the full-facility design (including utility layout and specifications) for the lawful cannabis cultivation project of Wolf Island Cannabis Inc. ("**Wolf Island**") located in Ontario, Canada.

The Company and Wolf Island executed a Purchase and Sale Agreement (see announcement titled, "RotoGro Secured Binding CAD \$380K Purchase Order from Wolf Island Cannabis Inc., dated 7 July 2021), pursuant to which Wolf Island committed to RotoGro as its technology supplier by paying RotoGro a non-refundable deposit of CAD \$213,000.00. The full-facility design includes designated technology layouts to house RotoGro 420 and a Plant Nutrient Management System which will be supported by RotoGro's proprietary automation software system for the cultivation of high-quality

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lawful cannabis. RotoGro and Wolf Island have scheduled the delivery of the RotoGro 420s and a Plant Nutrient Management System for the end of Q4 CY 2021.

Canniberia LDA

During the quarter, the Company received an initial purchase order from Canniberia LDS ("**Canniberia**"), a lawful cannabis cultivator operating in Moura, Portugal, 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 420s and 1 RotoGro Plant Nutrient Management System (together, the "**RotoGro Technology**") for, the total purchase price of CAD\$1,904,000.00 (the "**Agreement**").

The Purchase Order for the RotoGro Technology, valued at CAD \$1.039M, is demonstrative of Canniberia's commitment to RotoGro as its exclusive technology supplier for its project. Canniberia previously 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.

RotoGro Beyond Earth – Deep Space Opportunity

During the quarter, the Company participated in the first phase of the NASA and CSA Deep Space Food Challenge (the "**Space Food Challenge**"), administered by an international collaboration between the United States of America National Aeronautics and the Space Administration ("**NASA**") and the Canadian Space Agency ("**CSA**"). RotoGro's application to the Space Food Challenge represents its initial foray into the space agriculture sector, a rapidly growing, highly innovative, and valuable area of Controlled Environment Agriculture ("**CEA**") with far-reaching applications.

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Pending the results of the first round of the NASA and CSA Deep Space Food Challenge, the Company's Design and Engineering teams continued to design and engineer a Rotational Garden System specifically designed to cultivate fresh perishable foods for use in space exploration.

This opportunity, which complements the Company's core business model, positions the Company strategically to benefit from the global interest in space travel and sustaining human life in outer space. RotoGro's conceptual designs demonstrate a viable and sustainable novel food production technology that can be integrated into a comprehensive food system for long-duration space missions, a necessity for future space missions and human settlements in outer space.

The Company's business development team continues its discussions with prominent space exploration industry leaders to assess potential synergies and collaborative opportunities in this thriving space.

Perishable Food Product Trials with Leading Cultivators and Vertical Farming AgTech Companies

The Company is currently negotiating the terms of perishable foods product trials to be conducted at RotoGro's state-of-the-art research and design facility with leading perishable foods cultivators and other indoor vertical farming agricultural technology companies with a view to executing technology purchase and sale agreements, joint ventures, and vertical industry collaborations. The negotiations are progressing quickly, each highlighting the unique benefits of RotoGro's patented and proprietary, industry-disruptive agricultural technology.

Unlike other indoor vertical farming technologies, the RotoGro Rotational Garden Systems produce fully mature crops, including leafy greens crops such as lettuces, bok choy, kale, and swiss chard, due to optimized airflow, light to grow surface area distance and even distribution, and proprietary direct-injection feeding processes. The Company has also entered into discussions to initiate vine-crop product trials (for strawberries, tomatoes, etc.) utilizing the RotoGro 710 to expand the types of perishable foods and to exploit opportunities with other industry leaders.

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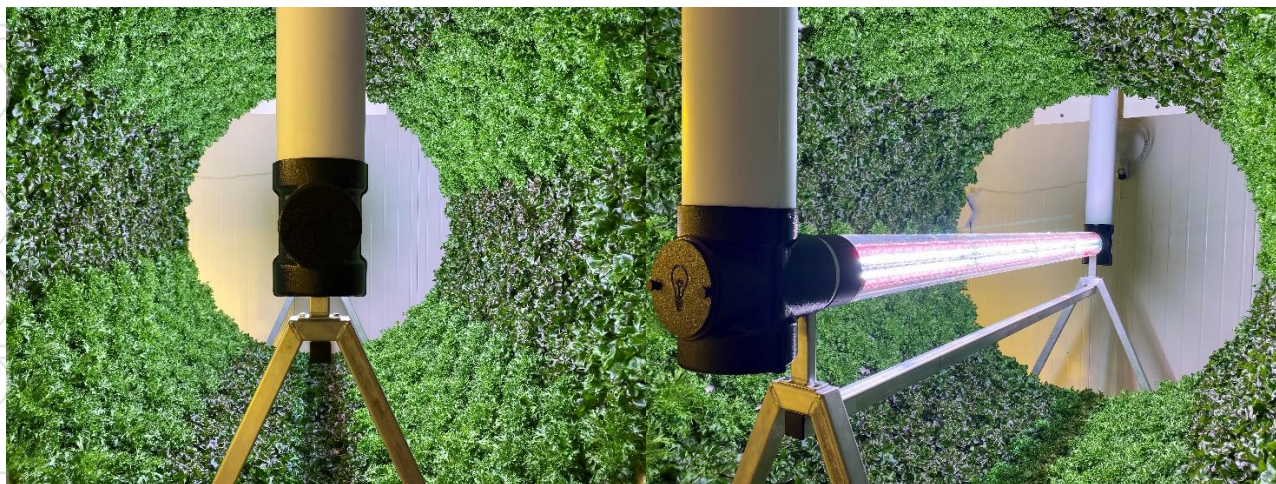


Photo 5: Model 710 Garden System (Lettuce)

Photo 6: Model 710 Garden System (Lettuce)

Each of these perishable food product trials is the first step of the business development process. RotoGro looks forward to potentially transitioning these opportunities into Technology Purchase and Sale Agreements or Joint Venture arrangements.

New Product Launch – Model 420 Rotational Garden System for Cannabis Mother Plants

During the quarter, the Company successfully adapted the RotoGro 420 to cultivate cannabis mother plants, which is expected to significantly reduce the capital and operation expenditures normally associated with constructing and operating separate rooms for the cultivation of cannabis mother plants.

Normally cultivated and maintained in a separate “mother room” (mother plants require approximately 18 hours of light daily), mother plants provide clones (cuttings) which are then transplanted into “vegetative rooms” or “flowering rooms” where the plant will mature to produce cannabis flower. Because most commercial-scale cannabis cultivation facilities require numerous clones from mother plants to satisfy their cannabis flower cultivation targets, the mother plants typically grow large, occupying a significant amount of floorspace within indoor cannabis cultivation

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facilities. As a result, mother rooms occupy space that could otherwise be dedicated to flowering cannabis plants.

Over the past 12 months, RotoGro's Plant Science team has adapted the RotoGro 420 for the cultivation of cannabis mother plants. RotoGro is pleased to announce that its trials have succeeded, and that the Company is now able to offer to its existing and prospective customers an adapted version of the RotoGro 420 for the cultivation of cannabis mother plants. The RotoGro 420 footprint occupies approximately 2.97 m². When stacked horizontally and vertically, RotoGro 420s form a "pod" (typically, a pod of four or a pod of six, depending on whether they are stacked two or three high). Each pod's footprint occupies approximately 5.9 m², regardless of whether the RotoGro 420s are stacked two or three high. Each RotoGro 420 can accommodate approximately 100-120 mother plants, producing a significantly more cuttings per square metre in comparison with conventional mother rooms. The operational advantages are significant: the operation of the RotoGro 420 for the cultivation of cannabis mother plants consumes considerably less energy than conventional mother rooms given the intrinsic design and patented features of the RotoGro 420. RotoGro's Plant Science team has also determined that cannabis mother plants are less susceptible to the cultivation complications normally associated with "flat deck" cultivation by simplifying the daily operation of the mother plant environment, while decreasing the potential introduction of pests and pathogens into the environment.

Significantly, cannabis mother plants cultivated in the RotoGro 420 are ready to be trimmed for clones as early as 30 days from their planting date (as compared with a minimum of 60 days for traditional mother plants in a designated "mother room"), streamlining operational schedules.

Production and Sales Pipeline

The Company's Business Development team continues to target prospective customers and joint venture partners in the perishable foods and lawful cannabis industries globally to expand its presence as an agricultural technology partner in both business sectors.

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Demonstrated Success

The Wolf Island and Canniberia's projects are expected to expand the Company's presence in the cannabis sector. The shipment of the RotoGro 710s to Fresh Leaf and the ongoing collaboration with Verity Greens will establish the Company in the perishable foods sector. The RotoGro Technology will be in operation concurrently on three continents, expanding its international presence. The Company remains focussed on revenue generation through its existing sales pipeline.

Forward Looking

The Company currently has several new and exciting leads with prospective customers in Canada, the United States, Australia, and Europe. Although these leads are highly prospective, it is not guaranteed these proposals will convert into sales orders and growing management contracts. Nonetheless, the Company is optimistic about converting these proposed transactions into sales as the Company continues to work diligently with new and existing customers at varying stages of their development.

Research and Development

Perishable Foods (Produce)

During the quarter, following impressive production results achieved in the previous quarter, RotoGro's Plant Science team focused on product trials and testing for business development purposes.

The Plant Science team worked closely with Verity Greens, following the specifications provided by its prospective product off-take partners for various leafy greens trials. The team followed specific recipes, while simultaneously testing new, innovative recipes to compare and contrast the results. For the first time, leafy greens cultivated in the RotoGro 710 were subjected to third-party, commercial-scale processing machinery and practices, controlled by companies that are amongst the leaders in the Canadian perishable food market. The perishables cultivated in the RotoGro Garden Systems performed extremely well when washed and processed, demonstrating the rigour and vitality, and, most importantly, commercial viability of the product. The product was described by

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third parties as being much more robust than similar products seen, tasted, and tested which were cultivated by other indoor vertical farming companies.

The Plant Science team will further refine crop recipes and begin initial testing of new crops, including vine crops, to open the doors to potential new customers.

Lawful Cannabis and Hemp

During the quarter, RotoGro's Plant Science team began trialling new cannabis strains with the RotoGro 420, while also testing verified strains, previously cultivated in the RotoGro 420, in the RotoGro 710. The objective of these RotoGro 710 tests is to compare product yield and quality against the immense success already achieved in the Model 420 (i.e., 2.5 to 3.4 kilograms of dried cannabis flower produced in every unit in just a 56-60 day planting cycle, extrapolating to up to 10.2 kilograms of dried cannabis flower within 2.97 square metres every 56-60 days in the RotoGro 420s stacked three-high). In terms of size, one RotoGro 710 consumes approximately the same square metre footprint of four RotoGro 420s ("1 pod" – 2 units stacked on top of two units, side by side). Preliminary data indicates that the RotoGro 710 may provide additional electricity savings in addition to the electricity savings already demonstrated by the RotoGro 420 when compared to flat deck, or multi-layered flat deck systems. More, initial results demonstrate that a variety of new, taller strains, including high CBD and hemp strains, may be cultivated within the RotoGro 710 given the increased distance from the grow surface area to the centrally placed lighting system. The team's primary focus next quarter will be cultivating high-quality cannabis and hemp strains within the RotoGro 710s to potentially open the doors to new business development opportunities in the lawful cannabis and hemp space, globally.

Engineering, Design, and Innovation

Throughout the quarter, the engineering, design, and innovation team made significant progress on the commercialization of the "RotoGro Facility Edition" software system, the Company's latest addition to RotoGro's proprietary portfolio of technology. This technology will be used specifically with the RotoGro 710s and the respective automation aspects RotoGro has developed.

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The RotoGro Enterprise Edition software suite will play a key role in the automation of each indoor vertical farming facility utilizing the RotoGro Technology. The proprietary software controls all aspects of the grow from seed to harvest. Plants are delivered to each garden via a series of conveyors, elevators, and Automated Guided Vehicles (“AGVs”). Once delivered to the RotoGro Garden Systems, the plants go through real-world stress by the continuous system-controlled rotation, and are fed via our robotic, direct injection feed system. The grow cycle is then carefully maintained and monitored by the software to ensure optimum growth. All schedules and environmental changes are controlled by the RotoGro recipes which have been meticulously revised to perfection by our in-house plant scientists. Once the grow cycle is complete, the system, via AGVs, fetches the trays that are ready for harvest and shuttles them to processing. All of this with minimal human interaction, ensuring plants do not become contaminated.

The team continued to test its proprietary AGVs alongside international engineering automation companies to optimize all functions and ease of use of the AGVs.

The Company’s engineering team worked alongside Canniberia on various regulatory requirements. It also worked closely with Wolf Island Cannabis on the design and specifications of their planned cannabis cultivation facility. The team also worked with number of potential customers on full facility designs in the lawful cannabis space, hemp space, and produce space, in Canada, the United States, Australia, Asia, and Europe. The Company will update the market on these prospective opportunities when more information becomes available and in accordance with its continuous disclosure obligations.

Administration

Corporate Marketing Plan

During the quarter, the Company revised its marketing strategy, including new corporate presentations and customer information packages for the RotoGro 420, the RotoGro 710, and their respective supporting technologies (including the RotoGro iGrow Software System, automation components, and plant nutrient management systems). Along with these revised marketing materials, the Company has produced a full-perspective, “deep dive” video, which includes an

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interview with the Company's CEO, a walk-through presentation of the RotoGro Facility, and a technology overview. The Company's new marketing package is expected to be distributed in November 2021 and will provide new information to the Company's existing and prospective shareholders, and the industry at large, essential to RotoGro's near-term growth and its long-term, sustainable potential.

Post quarter end, the Company attended the Zenith Global Vertical Farming World Congress 2021 and the Indoor Ag-Con, both of which are respected indoor vertical farming conferences. The Company's attendance at these conferences were its first specific to the indoor vertical farming industry (perishable food) and served to better expose RotoGro's disruptive agricultural technology to the marketplace. With such significant interest generated as a result of the Company's attendance, the Company's marketing team will continue these marketing initiatives moving forward.

Advisory Board

During the quarter, the Company appointed Mr. Keith Merker and Mr. Peter Kampian to its new Advisory Board. Keith Merker is the former Chief Executive Officer of WeedMD Inc. (now known as Entourage Health), the publicly traded parent company of WeedMD Rx Inc, a federally licensed producer of and distributor of lawful cannabis in Canada. Peter Kampian is a financial executive with vast public company knowledge. He is currently the Chief Restructuring Officer for PharmHouse Inc. and Muskoka Growth Limited, as well as the Audit Chair of Harbourside Inc., a publicly traded cannabis company on the Canadian Securities Exchange, and Red Pine Exploration, publicly traded company on the TSX Venture Exchange. Both Mr. Merker and Mr. Kampian bring significant corporate and operational experience to the RotoGro team.

Board of Directors

Post quarter end, the Company focussed on personnel changes. It appointed and welcomed Mr. Leighton Richards to its Board of Directors. Mr. Richards has over 20 years of experience in the business across consumer goods, agriculture and health and wellness sectors. He is currently the Chief Executive Officer of WelleCo, an Australian-born company pioneering the premium greens

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and ingestible beauty movement, globally. Mr. Richards is also a Non-Executive Director of Sunny Ridge Berry Farms ("**Sunny Ridge**"), one of the Mornington Peninsula's most iconic attractions, producing strawberries, raspberries, blueberries, and blackberries, where he has held that position since 2016. Mr. Richards contributes to Sunny Ridge's commitment to sustainable agricultural practices, state of the art, protected growing methods. Mr. Richards also has significant experience in the private equity sector, focussing on deal flow, operational direction, strategic business planning, and post transaction change management.

Intellectual Property – Three new PCT Patent Applications

Post quarter end, the Company filed three international applications under The Patent Cooperation Treaty claiming priority from three Patent Applications previously filed with the United States Patent and Trademark Office: USPTO File No. 63/088,597 for Plant Tray, Feed Nozzle and Plant Tray Feed System; USPTO File No. 63/088,607 for Automated Plant Tray Shuttle and System; and USPTO File No. 63/088,623 for Rotating Garden Rails for Holding Plant Trays. The Patent Applications are inventions pertaining to RotoGro's Rotational Garden Systems and supporting automated technology. These patents expected to be granted as a result of these applications will join RotoGro's arsenal of intellectual property, protecting the Company's intellectual property in the United States, Canada, Australia, and Europe.

Dual Listing – Canadian Securities Exchange

Post quarter end, the Company made the strategic decision to pursue a public listing on the Canadian Securities Exchange to complement its existing listing on the Australian Securities Exchange. RotoGro expects that the secondary North American listing will provide opportunity for the Company to grow through increased access to capital, increased North American presence and potential customer base in both the perishable food and lawful cannabis markets, and present M&A opportunities, generating recognizable value for its current, loyal shareholders. As the North American indoor vertical farming industry continues to thrive, the Company looks to situate itself properly in that market. The Company has retained Canadian legal counsel, Wildeboer Dellelce LLP to complete its non-offering Prospectus and the accompanying MD&A. The Company is currently in high-level discussions with reputable,

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large private equity firms in the Canadian space to bolster its market position once listed on the Canadian Securities Exchange

Annual General Meeting

The Company has submitted its Notice of Meeting to ASX for its review and will release the Annual General Meeting date as soon as reasonably practical.

Activity Expenditure

A summary of the Company's expenditures incurred during the quarter in respect of the above business activities is set out in the below table:

| Activity | Expenditure |
|---------------------------------------|---------------|
| Production and Sales Pipeline | AUD \$124,000 |
| Research and Development | AUD \$81,000 |
| Engineering, Design, and Innovation | AUD \$185,000 |
| Administration, Corporate, and Grants | AUD \$451,000 |
| Total | AUD \$841,000 |

Q1 Financial Update

Net cash outflows from operations were \$0.62 million for the quarter. The material expense items of Administration and Corporate costs and Design & Innovation costs, being \$0.26 million and \$0.19 million respectively were offset by the deposit from Wolf Island of \$0.22 million noted above.

Net cash inflows from financing activities were \$2.02 million for the quarter. On 23 July 2021 the Company announced the issue of 62,857,143 fully paid ordinary shares as part of the Placement in July 2021 at an issue price of \$0.035 raising \$2.05 million (net of costs).

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Related Party Transactions

Payments to related parties and their associates during the quarter, as outlined in item 6 of the accompanying Appendix 4C, were A\$84,000. These payments are in relation to executive management and board of director salaries. No other related party payments were made.

Chief Executive Officer, Michael Di Tommaso, states, "The Company continues to make significant progress, while focussing on expansive business development initiatives. RotoGro continues to work alongside Verity Greens, Fresh Leaf, Canniberia, and Wolf Island on their respective projects, while engaging new, prospective customers and partners in the indoor vertical farming space. Personnel changes, including the appointment of Mr. Leighton Richards to the Board, and the creation of an Advisory Board, are expected to deliver substantive opportunities for the Company. RotoGro's strategic decision to pursue a listing on the Canadian Securities Exchange is also consistent this objective. The Quarter was exciting and reinforced our goal to become the leading indoor vertical farming AgTech Company industry wide. Positioning the Company to execute its strategic plan, while simultaneously demonstrating RotoGro's potential with our new marketing initiatives, is critically important to our future success. RotoGro will continue to do the necessary work to drive shareholder value."

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

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Michael Di Tommaso (Executive Director)
Leighton Richards (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

Karla Mallon

Company Secretary

Andrew Palfreyman





ROTOGRO

For more information please contact:

Investment Enquiries

Kirstie DeNicola

Media Relations

info@rotogro.com

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 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.

Registered and Business Office

Level 5, 126 Philip Street
Sydney NSW 2000
T: 61 2 8072 1400
E: info@rotogro.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
ROTO-GRO INTERNATIONAL LTD
ABN
84 606 066 059
Quarter ended ("current quarter")
30 Sept 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 223 | 223 |
| 1.2 Payments for | | |
| (a) research and development | (81) | (81) |
| (b) product manufacturing and operating costs | (119) | (119) |
| (c) advertising and marketing | (79) | (79) |
| (d) leased assets | - | - |
| (e) staff costs | (148) | (148) |
| (f) administration and corporate costs | (264) | (264) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 150 | 150 |
| 1.8 Other (provide details if material) | - | - |
| - Business Development and consultants | (5) | (5) |
| - Legal Advisory fees | (69) | (69) |
| - Design & Innovation | (185) | (185) |
| - Property & facilities | (41) | (41) |
| 1.9 Net cash from / (used in) operating activities | (618) | (618) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (c) property, plant and equipment | (91) | (91) |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (91) | (91) |

| | | | |
|-----------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,200 | 2,200 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (149) | (149) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Lease repayments | (36) | (36) |
| 3.10 | Net cash from / (used in) financing activities | 2,015 | 2,015 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,639 | 1,639 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (618) | (618) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (91) | (91) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,015 | 2,015 |
| 4.5 | Effect of movement in exchange rates on cash held | 14 | 14 |
| 4.6 | Cash and cash equivalents at end of period | 2,959 | 2,959 |

| | | | |
|------------|---|----------------------------|-----------------------------|
| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
| 5.1 | Bank balances | 2,959 | 1,639 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,959 | 1,639 |

| | | |
|--|---|----------------------------|
| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 84 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>Note:</i> 6.1: Directors being related parties of the Company were paid remuneration in the amount of \$84k during the September quarter. No other related party payments were made. | | |

| | | |
|---|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | | |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | | |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| | |
|--|----------------|
| 8. Estimated cash available for future operating activities | \$A'000 |
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (618) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 2,959 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 0 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 2,959 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 4.79 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: N/A | |
| 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: N/A | |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: N/A | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.