



ROTOGRO

ASX Release

24 November 2020

RotoGro Successfully Raises \$1.53M in Well-Supported Placement to Drive Roll-out of its Perishable Food & Vertical Farming Divisions

Roto-Gro International Limited (ASX:RGI) (“**RotoGro**” or the “**Company**”) is pleased to announce the Company has received AUD \$1.53 Million of firm commitments for a placement of 38,261,350 new fully paid ordinary shares at \$0.04 each (“**New Shares**”) to professional and sophisticated investors (“**Placement**”).

Each share issue will have attaching options on a 2:3 basis exercisable at \$0.05, expiring 31 December 2023 (subject to shareholder approval). Strong support was shown for the Placement from a broad range of high quality, domestic investors.

Leading Melbourne-based boutique, Peak Asset Management (“**Peak**”) was the lead manager to the placement and will work closely with the company to drive shareholder value.

Highlights

- Firm commitments from professional and sophisticated investors for the placement to raise AUD \$1.53 Million (before costs);
- The Placement includes a 2:3 option which will have an exercise price of \$0.05 and expires on 31 December 2023 (subject to shareholder approval);
- Strong support for the Placement from a number of high-quality new investors and funds;
- The Company has now strengthened its balance sheet to drive the roll-out of its perishable food division and in particular, vertical farming across USA and North America; and
- According to Allied Market Research, The global vertical farming market size was valued at \$2.23 billion in 2018 and is projected to reach \$12.77 billion by 2026, growing at a CAGR of 24.6% from 2019 to 2026

The Placement of the shares will be undertaken within the Company’s existing capacity for new equity issuances under ASX Listing Rule 7.1 (22,360,309 shares) and 7.1A (15,901,041 shares) and the issue of

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Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Jamie Myers (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

Melanie Leydin

Company Secretary

Melanie Leydin





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the options will be subject to shareholder approval. Settlement of the New Shares is expected to occur on or around 30 November 2020 and the Company expects to convene a general meeting of shareholders to approve the issue of the options in or around 15 February 2021.

Peak Asset Management will receive a fee of 6% of the total funds raised and 6M options on the same terms as the placement (subject to shareholder approval).

Indicative Timetable Event	Date
Trading Halt Lifted and Announcement of Placement	Tuesday, 24 November 2020
Settlement of New Shares	Monday, 30 November 2020
Allotment of New Shares	Tuesday, 1 December 2020

The above timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable at any time before New Shares are issued, subject to regulatory requirements.

Commenting on the outcome of the Placement, Non-Executive Chairman, Michael Carli states, "This raise is an important step forward for RotoGro as the Company welcomes a number of new shareholders to the register."

The issue of the placement securities will impact the conversion price of the Obsidian convertible notes, which will be reduced to the lower price of the placement securities (AUD \$0.04) pursuant to the adjustment mechanism in the Obsidian agreements.

For further information regarding the Company, please visit the ASX platform (ASX:RGI).

--ENDS--

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

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For more information please contact:

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About Roto-Gro International Limited

Roto-Gro International Limited is an Australian-based company with global operations focused on the cultivation of lawful cannabis and perishable food (produce) which take advantage of its proprietary, patented, and patents-pending technology in the stackable rotary hydroponic garden space.

The Company has collaborated with Freshero Pty Ltd and Verity Greens for perishable foods. These ventures leverage RotoGro's patented rotational hydroponic garden systems, crop management fertigation hardware and proprietary software systems to produce greater yields and lower operating costs. In addition, the Company has also entered into a Share Purchase Agreement to acquire 51% of the issued and outstanding shares in the capital stock of Medical Compassion Canni Farms Inc. which is a late stage Health Canada cannabis cultivation and processing license applicant.

RotoGro's also provides a patent-pending specialised business line for water treatment and nutrient management in the viticulture, perishable foods and lawful cannabis space. The fertigation business line has successfully provided design solutions, installations and service contracts for 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 in related markets which include, perishable food (produce) partnerships, lawful cannabis license ownership, growing management services, industry leading nutrients, emerging tissue culture (micropropagation) expertise and other supporting faculties of hydroponic growing.

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