



ROTOGRO

ASX Release

20 July 2021

RotoGro Receives \$2.2m in Well-Supported Placement

Highlights

- RotoGro receives A\$2.2 Million in firm commitments through a placement to professional and sophisticated investors;
- The Placement received strong support from strategic stakeholders, including a cornerstone investment of \$717,000 by EverBlu Capital and its principals, RotoGro's new Corporate Advisor;
- The Company has further strengthened its balance sheet to support further research and design initiatives in the indoor vertical farming perishable food sector, to drive sales in the cannabis sector, to refine its strategic marketing initiatives, and to enhance revenue generating opportunities and potential acquisitions globally.

Placement

Roto-Gro International Limited (ASX:RGI) ("**RotoGro**" or the "**Company**") is pleased to announce that it has secured firm commitments from institutional, professional, and sophisticated investors to raise A\$2.2 Million through the issue of 62,857,143 new fully paid ordinary shares (the "**New Shares**") at an issue price of A\$0.035 per New Share (the "**Placement**"). The Placement was strongly subscribed, including a cornerstone investment by EverBlu Capital Pty Ltd ("**EverBlu**"), the Company's new Corporate Advisor.

Subject to shareholder approval, each New Share will have a free-attaching option on a 1:1 basis, with an exercise price of \$0.07 each (a 100% premium to the New Shares) and expiry date that is 24 months from the date of issue ("**Options**"). The Company will seek quotation of the Options, subject to ASX's satisfaction that they meet the necessary requirements under the Listing Rules.

RotoGro is now well-funded for growth in the indoor vertical farming market for both perishable foods and lawful cannabis. Funds will be deployed to expand the Company's presence in both sectors, furthering the ongoing research and design initiatives for its patented and proprietary agricultural

Registered and Business Office

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Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Matthew O'Kane (Non-Executive Director)
Terry Gardiner (Non-Executive Director)

Chief Financial Officer

Karla Mallon

Company Secretary

Andrew Palfreyman





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cultivation technology for perishable foods, while driving sales further into the lawful cannabis space. The Company will also focus on implementing new and diversified marketing programs and securing new revenue generating opportunities.

All New Shares will rank equally with existing fully paid ordinary shares of the Company. The New Shares will be issued using the Company's existing capacity for new equity issuances under ASX Listing Rule 7.1 (34,883,578 New Shares) and 7.1A (27,973,565 New Shares). The Company will lodge a prospectus pursuant to section 708A(11) of the *Corporations Act 2001* (Cth) ("**Cleansing Prospectus**") to remove any trading restrictions on the sale of the listed securities which are the subject of this announcement. The Cleansing Prospectus will also include the offer of the free-attaching Options which will be issued subject to shareholder approval being obtained at a general meeting to be held in early September 2021.

Indicative Timetable Event*	Date
Announcement of Placement	Tuesday, 20 July 2021
Settlement of Placement	Thursday, 22 July 2021
Lodgement of Cleansing Prospectus with ASIC	Thursday, 22 July 2021
Issue of New Shares	Friday, 23 July 2021
Quotation of New Shares	Monday, 26 July 2021
Shareholder Meeting	Early-September 2021

* 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 Placement, Chief Executive Officer, Michael Di Tommaso states, "We are extremely excited to have EverBlu manage the Placement and are pleased to have generated remarkable support from our new investors. We welcome our new shareholders and thank our loyal existing shareholders for their continued support. We remained focussed on executing the Company's initiatives with a view to solidifying our place as a leading technology supplier in the indoor vertical farming space while driving shareholder value.

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Corporate Advisor

The Company has also engaged EverBlu as its new corporate advisor (“**Mandate**”) for a 12-month period. Under the Mandate, in relation to the Placement, the Company has agreed to pay EverBlu a fee of 6% on gross funds raised and, subject to shareholder approval, EverBlu will be entitled to 2,057,142 fully paid ordinary shares in the Company and 25,000,000 listed options on the following terms:

- 10,000,000 listed options with an exercise price of \$0.07 each and expiry date that is 24 months from the commencement of the Mandate; and
- 15,000,000 listed options with an exercise price of \$0.14 each and expiry date that is 24 months from the commencement of the Mandate, (together, the “**Broker Options**”).

Quotation of the Broker Options will be subject to ASX’s satisfaction that they meet the necessary requirements under the Listing Rules. In the event that shareholder approval is not obtained within 120 days of the Mandate, the Company will be liable to pay the equivalent amount in cash based on an independent valuation of the Broker Options, such cash payment to be capped at A\$300,000.

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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 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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