



ROTOGRO

ASX Release

29 July 2022

Quarterly Activities Report for the Period Ended 30 June 2022

Roto-Gro International Limited (ASX:RGI) (“RotoGro” or the “Company”) provides the following quarterly activities report for the period ended 30 June 2022 (“Quarter”).

On May 31, 2022, the Company’s wholly-owned subsidiary, Roto-Gro World Wide (Canada) Inc. (“RGWWC”), filed an assignment in bankruptcy pursuant to Canada’s *Bankruptcy and Insolvency Act*. The assignment was precipitated by several factors including the Company’s suspension of all inter-company transfers to RGWWC, which resulted from the cancellation of the funding negotiations between the Company and its corporate advisor.

The Board is currently working with its strategic advisors to assess all available options, including the viability of vending a new asset into the Company. The Company will continue to update the market in accordance with its continuous disclosure requirements.

Activity Expenditure

A summary of the Company’s expenditure 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 \$11,000
Research and development	AUD \$7,000
Engineering, design, and innovation	AUD \$59,000
Administration, corporate, and grants	AUD \$109,000

Registered and Business Office

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

Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Terry Gardiner (Non-Executive Director)
Peter Hatfull (Non-Executive Director)

Company Secretary

Peter Hatfull





ROTOGRO

Total	AUD \$185,000
-------	---------------

Q3 Financial Update

Net cash outflows from operations were AUD \$185k for the quarter. The material expense items of Design & Innovation costs, Administration and Corporate costs, Staff costs, and Legal and Advisory costs, being AUD \$59k, \$31k, \$29k and \$29k, respectively.

Related Party Transactions

As disclosed in Section 6.1 of the attached Appendix 4C, there were total payments of A\$28k to related parties for salaries and directors' fees to executive and non-executive directors of the Company. There were no other payments to related parties.

-ENDS-

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



Registered and Business Office

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

Directors

Michael Carli (Non-Executive Chairman)
Michael Di Tommaso (Executive Director)
Terry Gardiner (Non-Executive Director)
Peter Hatfull (Non-Executive Director)

Company Secretary

Peter Hatfull



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 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	242
1.2 Payments for		
(a) research and development	(7)	(261)
(b) product manufacturing and operating costs	(11)	(357)
(c) advertising and marketing	-	(133)
(d) leased assets	-	-
(e) staff costs	(29)	(568)
(f) administration and corporate costs	(31)	(908)
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	-	187
1.8 Other (provide details if material)	-	-
- Business Development and consultants	(1)	(32)
- Legal Advisory fees	(29)	(313)
- Design & Innovation	(59)	(682)
- Property & facilities	(18)	(166)
1.9 Net cash from / (used in) operating activities	(185)	(2,991)
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 (12 months) \$A'000
(c) property, plant and equipment	(14)	(360)
(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	(14)	(360)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
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	(25)	(135)
3.10 Net cash from / (used in) financing activities	(25)	1,916

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	410	1,639
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(185)	(2,991)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(360)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	1,916
4.5	Effect of movement in exchange rates on cash held	4	(14)
4.6	Cash and cash equivalents at end of period	190	190

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	190	410
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)	190	410

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	28
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: Directors, being related parties of the Company, were paid remuneration in the amount of \$28k during the June 2022 quarter. No other related party payments were made.</i>	

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(185)
8.2 Cash and cash equivalents at quarter end (item 4.6)	190
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	190
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.03
<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: No – The Company's wholly owned subsidiary, Roto-Gro World Wide (Canada) Inc. entered into bankruptcy on May 31, 2022. The Company is currently assessing options with its professional advisors.	
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: The Board is currently working with its strategic advisers to assess all available options, including the viability of vending a new asset into the Company. If the Company vends in a new asset, then it is likely that a capital raising will be undertaken.	

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: No – The Company's wholly owned subsidiary, Roto-Gro World Wide (Canada) Inc. entered into bankruptcy on May 3, 2022. The Company is currently assessing options with its professional advisors.

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.

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:29 July 2022.....

Authorised 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.