Announcement Summary

Entity name

ROTO-GRO INTERNATIONAL LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday August 4, 2020

The Proposed issue is:
 A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Secured, non-interest bearing convertible notes each with a face value of US$1.20.	179,655
RGI	ORDINARY FULLY PAID	2,314,426

Proposed +issue date

Friday August 7, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

ROTO-GRO INTERNATIONAL LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

84606066059

1.3 ASX issuer code

RGI

1.4 The announcement is

 New announcement

1.5 Date of this announcement

Tuesday August 4, 2020

1.6 The Proposed issue is:

 A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
No

Details of +securities proposed to be issued

ASX +security code and description

RGI : ORDINARY FULLY PAID
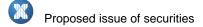
Number of +securities proposed to be issued

312,500

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
No

Please describe the consideration being provided for the +securities

The shares are being issued as satisfaction of a commitment fee of $12,500 payable by the Company to the convertible note investor, with the number of shares calculated based on the fee divided by the lowest 1-day VWAP of the Company's shares in the 5 trading days preceding the issue.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ New class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
☑ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
☑ No

ASX +security code

New class-code to be confirmed

+Security description

Secured, non-interest bearing convertible notes each with a face value of US$1.20.

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

179,655

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ Yes

In what currency is the cash consideration being paid?

USD - US Dollar

What is the issue price per +security?

USD 1.00000

AUD equivalent to issue price amount per +security

Will all the +securities issued in this class rank equally in all respects from their issue date?
☑ Yes

+Convertible debt securities details

These securities are:	**Type of security**
Convertible	Convertible Bond

+Security currency	**Face value**
USD - US Dollar	USD 1.2000

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

s128F of the Income Tax Assessment Act status applicable to the +security

s128F exemption status unknown

Is the +security perpetual (ie. no maturity date)?	**Maturity date**
☑ No	Monday February 7, 2022

Select other features applicable to the +security
☑ Redeemable
☑ Secured

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?
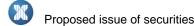☑ No

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

RGI : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities to be quoted are converted, transformed or exchanged

A maximum number of 14,000,000 securities may be issued under the convertible note agreement including the commitment and collateral shares the subject of this Appendix 3B.

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ASX +security code and description
RGI : ORDINARY FULLY PAID

Number of +securities proposed to be issued
2,001,926

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ No

Please describe the consideration being provided for the +securities

The shares are being issued as collateral security for the convertible note investor's investment. Full terms of the collateral shares can be found in the Company's announcement dated 4 August 2020.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Part 7C - Timetable

7C.1 Proposed +issue date
Friday August 7, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
☑ No

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
☑ No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
☑ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
☑ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
☑ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
☑ No

7E.2 Is the proposed issue to be underwritten?
☑ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

For the Company's general corporate and working capital purposes.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue

For full terms and conditions of the securities the subject of this Appendix 3B, see the Company's announcement of 4 August 2020.