ASX and MEDIA RELEASE

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Maiden deployment of Israeli-manufactured technology at Northern Israel cannabis farm

- **Maiden deployment of Israel-manufactured heat exchange probes with My Green Fields Cannabis farm after manufacturing was moved from China**
- **Manufacturing and distribution from Israel is delivering improved sales margins to Roots**
- **Business development pipeline growing – more cannabis sector sales expected shortly as well as plant-based meat opportunities**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to advise that it has commenced the installation of over 1,000 heat exchange probe units with the My Green Fields cannabis farm in Northern Israel (refer ASX announcement: 7 December 2020). This is the first deployment of Israeli-manufactured heat exchange probes on a large commercial scale.

By streamlining the supply chain and reducing shipping costs, Roots has transitioned production of its heat exchange probe technology from China to Israel. This allows Roots to expedite production and installation, as well as significantly increase its profit margin with each sale.

The heat exchange probe is designed to be inserted into the tops of the cannabis pots and grow bags to significantly simplify working procedures and lower the installation costs of the Company's proprietary Root Zone Temperature Optimisation (RZTO) technology. RZTO technology optimises plant physiology for increased growth, productivity and quality by stabilising the plant's root zone temperature year around. Optimal root zone temperature is known to be the most influential parameter in plant's physiology besides water.

Roots expects to complete the installation of over 1,000 heat exchange probes at the My Green Fields cannabis farm within a week. The technology will be deployed to specifically assist in the clone production room and throughout the farm's flowering room. The system will use existing heat pumps and water tanks to supply hot or cold water as needed, based on plant root temperatures.

The Company's heat exchange probe has previously increased cannabis yields by 20% or more, with THC levels rising or kept in similar ranges. Roots anticipates more sales to materialise in the near term to cannabis cultivators in Israel and other regulated markets.

Roots Executive Chairman and CEO, Boaz Wachtel said: *"Commencing production of our technology in Israel is an important step for Roots. We are confident that this strategic decision will allow us to aggressively pursue opportunities with a range of commercial growers.*

"Following recent regulatory shifts, management is closing in on a number of sales contracts with cannabis cultivators in Israel, the USA and Europe. We are also making strong progress with the Company's plant-based meats division and look forward to updating shareholders very soon on some exciting progress."

Image one: Newly Israeli manufactured heat exchange probe

Image two: Water tank at My Green Fields cannabis farm to be used for temperature control

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About Roots Sustainable Agricultural Technologies Ltd:
Israeli-based, Roots Sustainable Agricultural Technologies Ltd. is developing and commercialising disruptive, modular, cutting-edge technologies to address critical problems faced by agriculture today, including plant climate management and the shortage of water for irrigation.

Roots has developed proprietary know-how and patents to optimise performance, save labour, and reduce energy consumption to bring maximum benefit to farmers through their two-in-one root zone heating and cooling technology and off the grid irrigation by condensation technology.

Roots is a graduate company of the Office of the Israeli Chief Scientist Technological Incubator program.

More information www.Rootssat.com

About Root Zone Temperature Optimization (RZTO)

Root Zone Temperature Optimization (RZTO) optimises plant physiology for increased growth, productivity and quality by stabilising the plant's root zone temperature. Leveraging the principle of Ground Source Heat Exchange (GSHE), ROOTS installs a closed-loop system of pipes. The lower part is installed at a depth where soil temperature is stable and not affected by weather extremes, and the upper part in the target crop's root zone just below the soil surface. Water flowing through the lower pipes is charged by the soil's stable temperature. The heated (or cooled) water is pumped through the pipes installed in the root zone, where the heat (or cold) is discharged.

This significantly increases yields, increases growing cycle planting options, improves quality, mitigates extreme heat and cold stress while significantly reducing energy consumption by stabilising and optimising the ROOTS zone temperature.

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This announcement was authorised to be given to the ASX by the Roots Executive Directors, Mr Boaz Wachtel and Mr Sharon Devir.

Forward Looking statements

This announcement contains forward-looking statements with respect to ROOTS and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations.

The actual results and performance of ROOTS could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to ROOTS and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and ROOTS has no obligation to up-date such statements, except to the extent required by applicable laws.