

Appendix 4C

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

Name of entity

Roots Sustainable Agricultural Technologies Ltd

ARBN

619 754 540

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (9 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	89	105
1.2 Payments for		
(a) research and development	(27)	(121)
(b) product manufacturing and operating costs	(25)	(28)
(c) advertising and marketing	(82)	(250)
(d) leased assets	-	-
(e) staff costs	(168)	(594)
(f) administration and corporate costs	(120)	(555)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received (see note 6)	-	-
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (institutes & exchange rate)	(110)	18
1.9 Net cash from / (used in) operating activities	(444)	(1,430)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	150	150
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	150	150

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	344	1,424
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(444)	(1,430)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	150
4.5	Effect of movement in exchange rates on cash held (see note 6)	55	(39)
4.6	Cash and cash equivalents at end of period	105	105

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	105	344
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)	105	344

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	105
6.2	Aggregate amount of payments to related parties and their associates included in item 3	4
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities

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.

	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
7.1 Loan facilities	150	150
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	150	150

7.5 Unused financing facilities available at quarter end

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7.6 During the quarter, the Company entered into two short-term loan agreements for an aggregate amount of A\$225,000 (**Loan Agreements 1 & 2**) with Glaciereglow Pty Ltd and RAH (STC) Pty Ltd (**the Lenders**). Subsequent to the end of the quarter, the Company entered into a Loan Agreement for an amount of \$140,000 with RAH (STC) Pty Ltd (**Loan Agreement 3**). The Lenders are unrelated parties of the Company, and the loans are unsecured.

Loan Agreements – Terms and Conditions:

Interest:

Loan Agreements 1 & 2: Interest is not compounding and is payable at a rate of 20% on the total principal loan amount for the 4 month period to the repayment date of 31 December 2022 (60% per annum);

Loan Agreement 3: Interest is not compounding and is payable at a rate of 10% on the total principal loan amount for the 6 week period to the repayment date of 18 November 2022 (86% per annum);

Term:

Any funds drawn down by Roots, together with any accrued interest, must be repaid by Roots to the Lenders on the earliest of:

- a) the date that is seven days following Roots completing an equity capital raising of a minimum of A\$400,000; and
- b) 31 December 2022 for Loan Agreements 1 & 2, and 18 November 2022 for Loan Agreement 3, (**Repayment Date**).

Repayment

Subject to the other terms of the Loan Agreements, any funds drawn down by Roots under the Loan Agreements, together with any accrued Interest, must be repaid by Roots to the Lender on the Repayment Date in cash.

Purpose

To be applied towards general working capital.

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8. Estimated cash available for future operating activities	US\$'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(444)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	105
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	105
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.24

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.

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: Yes.

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 company plans to raise funds during Q4 2022 through loans and equity, which will commence following the AGM. The BOD of the company believes this plan will be successful.

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: Yes.

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: 19 October 2022

Authorised by: The Board of Roots Sustainable Agricultural Technologies Limited
(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.