

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES LTD

ARBN 619 754 540

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) chess depositary interest (**CDI**) for every three (3) CDIs held by those CDI Holders registered at the Record Date, where each CDI represents a beneficial interest in one fully paid ordinary share in the capital of the Company (**Share**), at an issue price of \$0.003 per CDI, together with one (1) free New Option for every two (2) CDIs applied for and issued to raise up to \$1,028,133 (based on the number of CDIs on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 25 November 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas CDI Holders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas CDI Holders, the number and value of CDIs these CDI Holders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to CDI Holders with a registered address which is outside Australia, New Zealand or Israel.

For further information on overseas CDI Holders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.rootssat.com). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.rootssat.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australia, New Zealand or Israel resident and must only access this Prospectus from within Australia, New Zealand or Israel.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 6559 1792 during office hours or by emailing the Company at roots@rootsat.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities

that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a CDI Holder and to facilitate

distribution payments and corporate communications to you as a CDI Holder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the CDI registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the CDI registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on + 61 8 6559 1792.

Regulation of Roots Sustainable Agricultural Technologies Ltd

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC but are instead regulated by Israeli company law (including the Companies Law) and other applicable Israeli law and the Ministry of Justice – Corporations Authority of the State of Israel.

CORPORATE DIRECTORY

Directors

Boaz Wachtel
CEO & Chairman

Sharon Devir
Executive Director

Dafna Shalev-Flamm
Non-Executive Director

Graeme Smith
Non-Executive Director

Adam Blumenthal
Non-Executive Director

James Ellingford
Non-Executive Director

Company Secretary

Sarah Smith

Registered Office

C/- Mirador Corporate Pty Ltd
Suite 2, Level 1
1 Altona Street
WEST PERTH WA 6005

Telephone: + 61 8 6559 1792

Email: roots@rootsat.com
Website: www.rootssat.com

ASX Code

ROO

Auditor*

BDO - Tel Aviv
Amot Bituach House Bldg.
B 48 Derech Menachem Begin Rd
TEL AVIV ISRAEL

Share Registry*

Automic Group
Level 5/191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Australian Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Israeli Solicitors

Gross & Co
One Azrieli Center
Round Building
Menachem Begin St
TEL AVIV 6701 101 ISRAEL

Lead Manager

EverBlu Capital Pty Ltd
Level 39, Aurora Place
88 Phillip Street
SYDNEY NSW 2000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	25 November 2022
Lodgement of Prospectus and Appendix 3B with ASX	25 November 2022
Ex date	30 November 2022
Record Date for determining Entitlements	1 December 2022
Offer opening date, Prospectus sent out to CDI Holders and Company announces this has been completed	6 December 2022
Last day to extend the Closing Date	12 December 2022
Closing Date as at 5:00pm*	15 December 2022
Securities quoted on a deferred settlement basis	16 December 2022
ASX notified of under subscriptions	22 December 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	22 December 2022
Quotation of Securities issued under the Offer*	23 December 2022

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

CDIs

	Full Subscription (\$1,028,133)
Offer Price per CDI	\$0.003
Entitlement Ratio (based on existing CDIs)	1:3
CDIs currently on issue	1,028,132,688
CDIs to be issued under the Offer ¹	342,710,896
Lead Manager CDIs ³	10,000,000
Gross proceeds of the issue of CDIs	\$1,028,133
CDIs on issue Post-Offer²	1,380,843,584

Notes:

1. Assuming the Full Subscription of \$1,028,133 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the CDIs.
3. The issue of the Lead Manager CDIs is subject to Shareholder approval at a meeting to be held in or around March 2023.

Options

	Maximum Subscription (\$1,028,133)
Offer Price per New Option	Nil
Option Entitlement Ratio (based on CDIs subscribed for)	1:2
Options currently on issue	167,317,244
New Options to be issued under the Offer ¹	171,355,448
Lead Manager Options ³	370,886,571
Gross proceeds of the issue of Options	Nil
Options on issue Post-Offer²	709,559,263

Notes:

1. Assuming the Full Subscription of \$1,028,133 is achieved under the Offer.
2. Refer to Section 4.2 for the terms of the New Options.
3. The issue of:
 - (a) 154,219,904 New Options to the Lead Manager in connection with the Offer; and
 - (b) 216,666,667 New Options to the Lead Manager in connection with the Placement, (together, the **Lead Manager Options**), are subject to Shareholder approval at a meeting to be held in or around March 2023.

1.3 Summary of the Placement and the Offer

Placement

As announced on 21 October 2022, the Company received firm commitments from sophisticated and professional investors to raise to \$650,000 (before costs) (**Placement**) through the issue of 216,666,667 CDIs at an issue price of \$0.003 per CDI (**Placement CDIs**) together with one (1) free attaching New Option for every one (1) Placement CDI issued, exercisable at \$0.005 on or before five (5) years from the date of issue of the Placement CDIs (**Placement Options**).

The Placement CDIs were issued on 27 October 2022 pursuant to the shareholder approval received at the Company's Annual General Meeting held on 4 October 2022.

The issue of:

- (a) the Placement Options; and
- (b) 66,666,667 Placement CDIs to be issued to Adam Blumenthal,

are subject to Shareholder approval at a meeting to be held in or around March 2023.

EverBlu Capital acted as lead manager to the Placement and will be paid a capital raising fee of 6% of the gross proceeds raised under the Placement. In addition, the Company has agreed, subject to Shareholder approval, to issue EverBlu Capital 10,000,000 CDIs (**Lead Manager CDIs**) and 216,666,667 New Options.

The Placement Options and the New Options to be issued to the Lead Manager will be issued on the same terms and conditions as the New Options the subject of the Offer.

Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) CDI for every three (3) CDIs held by Eligible CDI Holders registered at the Record Date at an issue price of \$0.003 per CDI to raise up to \$1,028,133 (before costs), together with one (1) free attaching New Option for every two (2) CDIs applied for and issued, exercisable at \$0.005 on or before the date that is five (5) years from the date of issue.

Further details in respect of the Offer are set out in Section 2.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
Sovereign risk	The Company is incorporated and based in Israel. Accordingly, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Major hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (and scientific personnel) could materially and adversely affect the Company's business.	Section 5.2
Applicability of Israel law	Your rights and responsibilities as a Security holder will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. It may be difficult to enforce a judgment of an Australian court against the Company, its officers and directors in Israel or elsewhere, to assert Australian securities laws claims in Israel or to serve process on Roots' officers and directors. Provisions of Israeli law and Roots' Articles may delay, prevent or otherwise impede a merger with, or an	Section 5.2

Risk	Description	Further Information
	acquisition of, Roots even when the terms of such a transaction are favourable to Roots and its Security holders.	
Going Concern	<p>The Company's financial report for the year ending 31 December 2021 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' note included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>	Section 5.2
Protection of proprietary technology	The Company's success will depend, in part, on the Company's ability to obtain patents, protect trade secrets and operate without infringing on the proprietary rights of others. If the Company fails to adequately protect its IP, it may face competition from companies who develop a substantially similar product to one of the Products that is not covered by any protection. Many companies have encountered significant problems in protecting and enforcing IP rights in foreign jurisdictions. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert the Company's efforts and attention from other aspects of its business.	Section 5.3

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	CDIs	Options	Performance Rights	CDI Entitlement [†]	New Option Entitlement [†]	\$
Boaz Wachtel	5,376,777	1,850,510	13,500,000	1,792,259	896,130	5,377
Sharon Devir	2,959,564	2,430,490	13,500,000	986,522	493,261	2,960

Director	CDIs	Options	Performance Rights	CDI Entitlements†	New Option Entitlements†	\$
Adam Blumenthal	43,638,831 ¹	1,833,333 ²	4,200,000	14,546,277	7,273,139	43,639
Graeme Smith	288,750	Nil	Nil	96,250	48,125	289
Dafna Shalev-Flamm	934,375	Nil	Nil	311,459	155,730	934
James Ellingford	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Subject to Shareholder approval, Adam Blumenthal will be issued 66,666,667 Placement CDIs.
2. Subject to Shareholder approval, Adam Blumenthal will be issued an additional 66,666,667 New Options under the Placement.

The Board recommends all CDI Holders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.6 Details of Substantial Holders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the CDIs on issue are set out below:

CDI Holder	CDIs	%
Jamber Investments Pty Ltd	55,577,743	5.41%
Atlantic Capital Holdings Pty Ltd	43,284,200	4.21%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.7 Lead Manager

EverBlu Capital has been appointed as the lead manager of the Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4 below.

1.8 Effect on Control

Based on current CDI holding and Entitlements of CDI Holders (including substantial CDI Holders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no CDI Holder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of CDIs of, or increase their holding to, an amount in excess of 19.9% of all the CDIs on issue on completion of the Offer.

Further there will be no change to any CDI Holder's voting power as a result of the issue of the New Options. Where New Options are exercised into CDIs, the voting power of the CDI Holders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of CDIs from time to time until the New Options expire.

1.9 Potential dilution on non-participating CDI Holders

In addition to potential control impacts set out in Section 1.8, CDI Holders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of CDIs on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into CDIs, CDI Holders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 33.8% (as compared to their holdings and number of CDIs on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of CDI Holders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
CDI Holder 1	10,000,000	0.97%	3,333,334	10,000,000	0.73%
CDI Holder 2	5,000,000	0.49%	1,666,667	5,000,000	0.36%
CDI Holder 3	1,500,000	0.15%	500,000	1,500,000	0.11%
CDI Holder 4	400,000	0.04%	133,334	400,000	0.03%
CDI Holder 5	50,000	0.00%	16,667	50,000	0.00%

Notes:

1. This is based on a CDI capital of 1,028,132,688 CDIs as at the date of the Prospectus and assumes no Options currently on issue or other CDIs are issued including New Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible CDI Holders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each CDI Holder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) CDI for every three (3) CDIs held by those CDI Holders registered at the Record Date at an issue price of \$0.003 per CDI together with one (1) New Option for every two (2) CDIs subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no additional CDIs are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 342,710,896 CDIs and 171,355,448 New Options may be issued under the Offer to raise up to \$1,028,133. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 167,317,244 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the CDIs offered under this Prospectus will rank equally with the CDIs on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the CDIs. The New Options will be exercisable at \$0.005 on or before the date that is five (5) years from the date of issue, and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible CDI Holders may do

The number of Securities to which Eligible CDI Holders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Eligible CDI Holders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
for Shortfall Securities	<p>your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.</p> <ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company and Lead Managers absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. • The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> • If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

The Offer is non-renounceable. Accordingly, a CDI Holder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of CDIs which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 2:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (CDI holding of CDIs)

If you have more than one CDI holding of CDIs and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those CDI holdings only use the CRN specific to that CDI holding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your CDI holdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your CDI holdings (with the result that any Application in respect of your remaining CDI holdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible CDI Holders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of CDIs which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription.

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each CDI to be issued under the Shortfall Offer shall be \$0.003 being the price at which CDIs have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible CDI Holders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible CDI Holders and the number of CDIs proposed to be issued under the Offer.

Eligible CDI Holders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible CDI Holders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible CDI Holder would not take their voting power to in excess of 19.99%; and then

- (b) to other parties identified by the Directors, which may include parties who are not currently CDI Holders.

No CDIs will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible CDI Holder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible CDI Holders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible CDI Holders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible CDI Holders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible CDI Holders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas CDI Holders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas CDI Holders, the number and value of Securities these CDI Holders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and CDIs will not be issued to CDI Holders with a registered address which is outside Australia, New Zealand or Israel.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing CDI Holders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Israel

The Company does not intend to offer the Securities to the public in Israel within the meaning of the Israeli Securities Law, 1968, or offer Securities, within any specific year, to more than 35 offerees resident in Israel. The Securities have not been approved or disapproved by the Israeli Securities Authority (the "ISA"), nor have such New Securities been registered for sale in Israel. The Securities may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with the offering or publishing of this document; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the New Securities being offered. Any resale in Israel, directly or indirectly, to the public of the New Securities offered by this document is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any CDI Holder resident outside Australia, New Zealand or Israel without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$1,028,133 before costs.

The funds raised from the Offer and the Placement are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Local and international sales and marketing activity	282,487	27.48%
2.	Operating expenses	211,865	20.61%
3.	General & Administrative Expense	141,243	13.74%
4.	Working capital	70,622	6.87%
5.	Repayment of loans ¹	210,000	20.43%
6.	Expenses of the Offer ²	111,916	10.89%
	Total	1,028,133	100%

Notes:

1. Refer to ASX announcements dated 1 September 2022 and 18 November 2022 for further details.
2. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

On completion of the Offer and the Placement, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no CDIs are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$916,217 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;

- (b) increase the number of CDIs on issue from 1,028,132,688 as at the date of this Prospectus to 1,380,843,584 CDIs (including the Lead Manager CDIs to be issued subject to Shareholder approval); and
- (a) increase the number of Options on issue from 167,317,244 as at the date of this Prospectus to 709,559,263 Options (including the Lead Manager Options to be issued subject to Shareholder approval).

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no CDIs are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

CDIs

	Number
CDIs currently on issue	1,028,132,688
CDIs offered pursuant to the Offer	342,710,896
Lead Manager CDIs ¹	10,000,000
Total CDIs on issue after completion of the Offer	1,380,843,584

Notes:

1. The issue of the Lead Manager CDIs is subject to Shareholder approval at a meeting to be held in or around March 2023.

Options

	Number
Options currently on issue	167,317,244 ¹
New Options to be issued pursuant to the Offer	171,355,448
Lead Manager Options ²	370,886,571
Total Options on issue after completion of the Offer³	709,559,263

Notes:

1. Comprising:
 - (a) 1,655,000 unlisted Options exercisable at \$0.01 and expiring on 30 November 2022;
 - (b) 602,500 unlisted Options exercisable at \$0.01 and expiring on 17 June 2024;
 - (c) 4,833,333 unlisted Options exercisable at \$0.01 and expiring on 15 October 2026;
 - (d) 40,064,103 unlisted Options exercisable at \$0.02 and expiring on 30 September 2023; and
 - (e) 120,192,308 unlisted Options exercisable at \$0.0125 and expiring on 30 September 2023.
2. The issue of the Lead Manager Options is subject to Shareholder approval at a meeting to be held in or around March 2023.

Performance Rights

	Number
Performance Rights currently on issue	31,200,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	31,200,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,226,649,932 CDIs and on completion of the Offer (assuming all Entitlements are accepted, Shareholder approval is received for the issue of the Lead Manager Options and the Lead Manager CDIs and no other CDIs are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 2,121,602,847 CDIs.

No CDIs, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED	PROFORMA
	June 30, 2022	Full Subscription
	US\$	US\$
CURRENT ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	345	1,426
Restricted cash	37	37
Trade receivables	75	75
Other accounts receivables	194	194
TOTAL CURRENT ASSETS	651	1,732
NON-CURRENT ASSETS		
Property and equipment	34	34

	UNAUDITED	PROFORMA
	June 30, 2022	Full Subscription
	US\$	US\$
TOTAL NON-CURRENT ASSETS	34	34
TOTAL ASSETS	685	1,766
CURRENT LIABILITIES		
Trade payables	87	87
Derivative liability – warrants	31	31
Short-term loans	0	131
Other payables	437	437
TOTAL CURRENT LIABILITIES	555	686
NON-CURRENT LIABILITIES		
Derivative liability – warrants	-	0
Governmental liabilities on grants received	373	373
TOTAL CURRENT LIABILITIES	373	373
TOTAL LIABILITIES	928	1,059
NET ASSETS (LIABILITIES)	-243	707
EQUITY		
Share Capital and Premium	18,228	19,240
Warrants	164	164
Foreign currency translation reserve	-146	-146
Accumulated losses	-18,489	-18,551
TOTAL EQUITY	-243	707

Notes:

1. The pro-forma balance sheet has been prepared assuming:
 - (a) the receipt of A\$365,000 in short term loans;
 - (b) the issue of 150,000,000 CDIs pursuant to the Placement raising gross proceeds of A\$450,000;
 - (c) the payment of a 6% management fee to the Lead Manager in respect of the Placement;
 - (d) the repayment of A\$50,000 towards outstanding amounts owed under the short term loans;
 - (e) the issue of 32,700,000 CDIs as partial repayment of A\$26,630 towards outstanding amounts owed under the short term loans;

- (f) the issue of 80,00,000 CDIs as partial repayment of A\$64,882 towards outstanding amounts owed under the short term loans;
- (g) the issue of 342,710,896 CDIS and 171,355,448 free attaching New Options pursuant to the Offer, raising gross proceeds of \$1,028,133; and
- (h) the estimated aggregate costs of the Offer of \$111,916.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Certificate of incorporation, Articles and rights attaching to Shares

The Company is incorporated in Israel, and the requirements of Israeli laws that registered shareholders have the right to receive a share certificate does not permit the CHES system of holding uncertificated securities. Accordingly, to enable companies such as the Company to have their securities cleared and settled electronically through CHES, depository instruments called CDIs are issued.

CDIs are electronic depository interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHES Depository Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDIs represent the beneficial interest in the underlying shares in a foreign company such as the Company and are traded in a manner similar to shares of Australian companies listed on ASX. Each CDI will be equivalent to one Share.

The following is a summary of the Company's securities and provisions of its Certificate of Incorporation and Articles. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting

Unless otherwise indicated herein or required by applicable law, any Shareholders' resolution shall be deemed adopted if approved by an ordinary majority, including without limitation, a merger of the Company or an amendment to the Company's Articles, to the extent permitted by applicable law.

(b) Dividends

Subject to the Companies Law, the Board may from time to time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors to be appropriate. Subject to the Companies Law, the Board of Directors shall determine the time for payment of such dividends, and the record date for determining the shareholders entitled thereto.

(c) Transfer of Shares

No transfer of Shares shall be registered in the register of Shareholders unless a proper instrument of transfer (in form and substance satisfactory to the Secretary) has been submitted to the Company or its agent, together with any share certificate(s) and such other evidence of title as the secretary may reasonably require, and unless such transfer complies with applicable law and the Company's Articles. Until the transferee has been registered in the register of Shareholders in respect of the shares so transferred, the Company may continue to treat the transferor as the

owner thereof. The Board of Directors may, from time to time, prescribe a fee for the registration of a transfer.

(d) **Issue of further Shares**

The unissued shares from time to time shall be under the control of the Board, who shall have the power to issue shares or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 11.f of the Company's Articles), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may deem fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, during such time and for such consideration as the Board may deem fit.

(e) **Winding-up**

Notwithstanding anything to the contrary in the Company's Articles, a Shareholders' resolution approved by a simple majority of the voting shares represented at such meeting in person or by proxy is required to approve the voluntary winding up of the Company.

(f) **Directors – appointment and removal**

The Board of Directors shall consist of up to seven Directors, including two external Directors (if required under the Companies Law) to be appointed and removed by a simple majority vote of the shareholders.

The requirements of the Companies Law applicable to an external Director shall prevail over the provisions of the Company's Articles of Association to the extent that the Articles are inconsistent with the Companies Law, and shall apply to the extent that the Company's Articles of Association are silent. The Directors shall be elected at each annual general meeting and shall serve in office until the close of the next annual general meeting at which one or more Directors are elected, unless their office becomes vacant earlier in accordance with the provisions of the Company's Articles. External Directors are appointed for a three year term; the term can be extended twice, each for three years. Each Director, other than external directors, shall be elected by a Shareholders' resolution at the annual general meeting by the vote of the holders of a simple majority of the voting power represented at such meeting in person or by proxy and voting on such election; provided, however, that external Directors shall be elected by the affirmative vote of at least a majority of the voting power represented at the meeting, provided that either: (i) such majority vote at the meeting shall include at least a majority of the total votes of shareholders who are not controlling shareholders of the Company (as defined in the Companies Law) and do not have a personal interest (as defined in the Companies Law) in the approval of the proposal, participating in the voting at the meeting, without taking abstentions into account; or (ii) the total number of votes of the non-controlling shareholders mentioned in clause (i) above that are voted against such proposal does not exceed two percent (2%) of the total voting rights in the Company. For this purpose, "personal interest" is defined under the Companies Law as: (1) a shareholder's personal interest in the approval of an act or a transaction of the Company, including (i) the personal interest of any of his or her relatives (which includes for these purposes

the foregoing shareholder's spouse, siblings, parents, grandparents, descendants, and spouse's descendants, siblings, and parents, and the spouse of any of the foregoing); (ii) a personal interest of a corporation in which a shareholder or any of his/her aforementioned relatives serve as a director or the Chief Executive Officer, owns at least 5% of its issued share capital or its voting rights or has the right to appoint a director or Chief Executive Officer; and (iii) a personal interest of an individual voting via a power of attorney given by a third party (even if the empowering shareholder has no personal interest), and the vote of an attorney-in-fact shall be considered a personal interest vote if the empowering shareholder has a personal interest, and all with no regard as to whether the attorney-in-fact has voting discretion or not, but (2) excludes a personal interest arising solely from the fact of holding shares in the Company.

The elected Directors shall commence their term immediately upon election, unless a later effective date is stated in the resolution with respect to their election.

Notwithstanding the other provisions of the Company's Articles of Association, one or more Directors may be elected by a Shareholders resolution at an extraordinary general meeting. Any Director appointed or elected in such manner (excluding an external Director) shall serve in office until the next annual general meeting at which one or more Directors are elected, unless his or her office becomes vacant earlier in accordance with the provisions of the Company's Articles.

An elected external Director shall commence his or her term from the date of the resolution of the general meeting at which he or she was elected, and shall serve for a period of three (3) years, unless his or her office becomes vacant earlier in accordance with the provisions of the Companies Law.

A Director may serve for multiple terms, provided, however, that the terms of service of an external Director shall be limited in accordance with applicable law.

(g) **Indemnities**

The Company may indemnify an officeholder therein, retroactively or pursuant to an advance undertaking, to the fullest extent permitted by law. Without derogating from the aforesaid the Company may indemnify an office holder the Company for liability or expense imposed on him or her in consequence of an action made by him in the capacity of his or her position as an office holder in the Company.

On 2 July 2017 the shareholders of the Company adopted a form of indemnification agreement with all current and future members of the Board.

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) CDI upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.005 (**Exercise Price**)

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue of the New Option (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of CDIs on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of CDIs required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of CDIs issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the CDIs does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such

things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors.

(h) **CDIs issued on exercise**

CDIs issued on exercise of the New Options rank equally with the then issued CDIs of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to CDI Holders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

An New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Sovereign risk	The Company is incorporated and based in Israel. Accordingly, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Major hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (and scientific personnel) could materially and adversely affect the Company's business.
Applicability of Israel law	Your rights and responsibilities as a Security holder will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. It may be difficult to enforce a judgment of an Australian court against the Company, its officers and directors in Israel or elsewhere, to assert Australian securities laws claims in Israel or to serve process on Roots' officers and directors. Provisions of Israeli law and Roots' Articles may delay, prevent or otherwise impede a merger with, or an acquisition of,

Risk Category	Risk
	<p>Roots even when the terms of such a transaction are favourable to Roots and its Security holders.</p>
<p>Potential dilution for</p>	<p>In addition to potential control impacts set out in Section 1.8, CDI Holders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of CDIs on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into CDIs, CDI Holders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 33.8% (as compared to their holdings and number of CDIs on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a CDI or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of CDIs on ASX prior to the Prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of CDIs after implementation of the Offer.</p>
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute CDI holdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Going Concern</p>	<p>The Company's Financial Report includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' note included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the</p>

Risk Category	Risk
	<p>Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Coronavirus (COVID-19)	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's CDI price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>

Risk Category	Risk
Israeli Government Grants	<p>Roots has received grants for certain research and development activities and may receive additional grants in the future. The terms of those grants, may trigger additional payments to the National Innovation Authority following Roots' decision to manufacture products or transfer its IP outside of Israel, and Roots may be required to pay penalties in such cases or upon sale of IP, under the R&D Law. Roots has received a total amount of US\$770,256, (i.e. A\$1,000,203) from the National Innovation Authority, such amount has to be repaid as 3% to 3.5% of sales of the Company.</p> <p>In addition to paying any royalty due, Roots must abide by other restrictions associated with receiving such grants under the R&D Law that continue to apply following repayment to the National Innovation Authority. These restrictions may impair Roots' ability to outsource manufacturing, engage in change of control transactions or otherwise transfer Roots' know-how outside of Israel by requiring Roots to obtain the approval of the National Innovation Authority for certain actions and transactions and pay additional royalties and other amounts to the National Innovation Authority. Such amounts may be up to six times the total of the grants actually received, however this is typically reduced by several factors which may be applicable to Roots.</p> <p>In the event of manufacturing outside of Israel, the maximum repayment can be equal to up to 300% of the grants actually received from the National Innovation Authority (assuming all manufacturing is outside of Israel – if only part of the manufacturing is outside of Israel then the maximum repayment amount may be lower). In addition, if Roots wants to sell its IP to a non-Israeli party the repayment can be between 3-6 times of the total grants received from the National Authority (in general, if most of the Company's employees remain employed in Israel, the maximum repayment amount may be up to three times of the grants received from the National Innovation Authority).</p>
Limited commercial sales to date	<p>Roots started its activity in November 2012 and was admitted to the Official List in 2017. Since then, the Company has installed in Israel, USA, China, Spain and South Korea more than 25 installations from which paid customers are only in China, South Korea, USA and Israel. It takes at least one growing cycle to prove the efficiency of the technology. Sometimes extreme cooler summers or extreme hotter winters can diminish the system effectiveness. Due to restricted resources, Roots has concentrated on several crops such as herbs, leafy vegetables flowers, strawberries cucumbers and cannabis.</p>
Limited purchasing power	<p>Although Roots has started penetration sales, the quantity of these sales is still small. At this stage, it is more economical to produce a part of Roots' products such as</p>

Risk Category	Risk
	<p>heat exchange probe (HEP) and ground source heat coil exchangers and controls in small amounts. Once sales increase, the Company will seek to sign a long-term manufacturing agreement with sub-contractors</p>
<p>Costs and management time involved in complying with Israeli and Australian laws</p>	<p>The Company needs to ensure its continuous compliance with the laws of Israel (as an Israeli company) and Australian laws and regulations including the ASX Listing Rules and certain provisions of the Corporations Act (as a result of the Company being listed on the ASX and registered as a foreign company in Australia). To the extent of any inconsistency between the laws of Israel and Australian law and regulations, the Company may need to make changes to its business operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in additional demands on management and extra costs.</p>
<p>Potential acquisition risk</p>	<p>As part of its business strategy, the Company continues to engage in the assessment and evaluation of new business and asset acquisition opportunities with a view to increasing the overall value of the Company. The Company may make acquisitions of, or significant investments in businesses and assets that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of businesses and assets, such as integrating cultures and systems of operation, relocating operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.</p> <p>If the Company proceeds with such an acquisition, it will also be subject to risks associated with the business or asset being acquired, including, but not limited to legal risks, the risks associated that the negative aspects of the reputation of a business or asset which has been acquired will be applied to or associated with the relevant business of the Company and the regulatory risks associated with the business.</p> <p>To proceed with a future acquisition, the Company may be required to raise additional funds. There is no guarantee that at that time that the Company will be able to raise those funds on terms that are favourable to the Company, if at all. Alternatively, the Company may be required to issue securities in consideration for the acquisition, which may have a dilutive effect upon existing Shareholders.</p>

5.3 Industry specific

Risk Category	Risk
Reliance on Key Management Personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel (including the Directors). There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the Directors cease to be directors of the Company.</p> <p>Success of the business will depend on the Directors and the officers of the Company to develop the business and manage operations, and on the ability to attract and retain key quality staff and consultants.</p> <p>The management team is currently comprised of a team of personnel who the Directors consider can cover on a temporary basis for any other member of the team who may leave the Company, until such time as the Company engages a replacement. However, the loss of multiple key persons or the inability to find new key persons (or delays in finding such key persons) could have a material adverse effect on the business.</p>
Intellectual property	<p>The Company's interest in its technologies is protected by a portfolio of issued and pending patents. Whilst this provides the Company with protection, there is no guarantee that other companies will not legally challenge the patents or that they might knowingly or unknowingly infringe the Company's patents.</p> <p>The Company may be forced to litigate, to enforce or defend its IP rights against infringement and unauthorised use by competitors, and to protect its trade secrets. In so doing, the Company's IP may be put at risk of being invalidated, unenforceable, or limited or narrowed in scope. Further, an adverse result in any litigation or defence proceedings may place pending applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their IP rights, this may adversely affect the Company's ability to develop and commercialise the Company's current and future products (Products) and prevent competitors from making, using, and selling competing products. Any such litigation could be very costly and could distract management from focusing on operating the Company's business.</p> <p>The Company could also be subject to claims by employees and service providers under the Israeli Patent Law, 5727-1967 with respect to IP developed by them.</p>
Protection of proprietary technology	<p>The Company's success will depend, in part, on the Company's ability to obtain patents, protect trade secrets and operate without infringing on the proprietary rights of others. If the Company fails to adequately protect its IP, it may face competition from companies who develop a substantially similar product to one of the</p>

Risk Category	Risk
	Products that is not covered by any protection. Many companies have encountered significant problems in protecting and enforcing IP rights in foreign jurisdictions. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert the Company's efforts and attention from other aspects of its business.
Slow Penetration Rate	Agriculture is a segment known for slow penetration rates of new technologies. Unless the new technology is disruptive then usually in nature agricultural technology's penetration rates are usually slow, in comparison to high technology or transportation technology. This slow penetration rate needs to be taken into account in the context of Roots' technology.
Competition	<p>There is significant competition in the agricultural technology industry generally, more so in greenhouse heating technologies and less in cooling technologies. In particular, Roots is in competition with other drip irrigation companies, particularly in relation to its "Irrigation by Condensation" product. There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products manufactured or developed by Roots, or which would render the products obsolete and/or otherwise uncompetitive.</p> <p>The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.</p>
Cost of technology	Although Roots will seeks to market its technology into high, mid and low-income countries, the costs of implementing the technologies may prove too expensive for consumers in mid and low income countries. Should this prove to be the case this could result in reduced gross margins and loss of potential market share, either of which could materially adversely affect the Company's future business, operating results and financial position.
New technology with limited testing and feedback	A failure to successfully develop and commercialise the Company's technologies could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.
Joint venture, partnerships or other strategic alliances	The Company may enter into strategic partnerships or alliances with third parties in order to enhance its business. Additionally, the Company continuously explores merger and acquisition opportunities with a view to strengthening its existing business and/or divesting non-core business operations. Any entry into, or commitment to, such relationship or opportunity will bring additional risks specifically contractual risks. The Company would

Risk Category	Risk
	also be likely to incur transactional costs in evaluating and negotiating such relationships which will need to be incurred regardless of whether the proposed transactions complete or bring benefit to the Company.
Decreasing energy costs	Roots' technology uses the ground as one of its main resources of energy and high Coefficient of Performance (CoP) heat pumps. Compared with systems that use fossil resources, Roots' routine energy costs are very low. Decreased global energy costs, might lower the attractiveness of Roots' technology.
Extreme weather conditions	Roots' technology uses the ground as one of its main sources of energy and temperature exchange to maintain stable water temperature year-round. Roots' technology performs better under extreme cold or hot weather in moderate climates such as Israel, Spain and Australia, China and the USA. After a year of extreme cold winter or hot summer, Roots may sell its systems at relatively higher prices. However, after a year of extreme hot winter or cooler summer, Roots may have to sell its systems at relatively lower prices due to time lapses from last extreme weather crop loss.
Price sensitive market	Prices of agricultural crops are very volatile due to unexpected climatic changes, diseases and global crop availability and deficiency. This effects Roots' target customers. Approaching a farmer after a year with mid and low income from its crops, might lower the chance that they will invest in new technology.

5.4 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operational activities, as well as on its ability to fund those activities.
Market conditions	<p>CDI market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. CDI market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and</p>

Risk Category	Risk
	<p>may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including IP claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Regulatory	<p>Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance, financial position and activities of the Company.</p>
Risk of international operations	<p>International sales and operations are subject to a number of risks, including:</p> <ul style="list-style-type: none"> (a) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign legal systems; (b) increases in costs for transportation and shipping; and (c) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes. <p>Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Taxation	<p>The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this</p>

Risk Category	Risk
	Prospectus.
Credit risk	Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and financial institutions and other financial instruments.
Foreign Exchange Risk	Foreign exchange risk arises when the Company enter into transactions denominated in a currency other than its functional currency. The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which it denominated and the respective functional currency of the company. The currencies in which some transactions are primarily denominated are US dollars and Australian dollars. The Company's policy is not to enter into any currency hedging transactions.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of CDIs remains unknown. The CDI price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
18 November 2022	Cleansing Statement
18 November 2022	Conversion of debt to equity – short term loans
18 November 2022	Application for quotation of securities - ROO

Date	Description of Announcement
27 October 2022	Cleansing Statement
27 October 2022	Application for quotation of securities - ROO
27 October 2022	Application for quotation of securities - ROO
21 October 2022	Proposed issue of securities - ROO
21 October 2022	Proposed issue of securities - ROO
21 October 2022	Roots secures firm commitments to raise A\$650,000
19 October 2022	Revised Appendix 4C
19 October 2022	Trading Halt
18 October 2022	Quarterly Activities/Appendix 4C Cash Flow Report
7 October 2022	Notification regarding unquoted securities - ROO
4 October 2022	Results of Meeting
29 September 2022	Roots advances major UAE installation
1 September 2022	Roots enters into short term loan agreements
31 August 2022	Half Yearly Report and Accounts
31 August 2022	Annual General Meeting - Notice and Proxy Form
31 August 2022	Notice of Annual General Meeting/Proxy Form
23 August 2022	Roots strengthens IP portfolio with 2 US patent applications
17 August 2022	Binding LOI with Netafim
16 August 2022	Roots secures new sales contracts in UAE & Israel
2 August 2022	Notification of cessation of securities - ROO
1 August 2022	Final Director's Interest Notice
1 August 2022	Resignation of Non-executive Director
28 July 2022	Quarterly Activities Report & Appendix 4C
26 July 2022	Change of Director's Interest Notice x 3 - Expiry of Options
26 July 2022	Expiry of Listed Options
15 June 2022	RZTO sale & Letter of Intent

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.rootssat.com.

6.3 Market price of CDIs

The Company is a disclosing entity for the purposes of the Corporations Act and

its CDIs are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the CDIs on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.005	25 and 29 – 31 August, 1-2, 5 and 27 September and 11 – 12 and 18 October 2022
Lowest	\$0.0015	21 November 2022
Last	\$0.002	24 November 2022

The New Options are not currently quoted and therefore no trading in the New Options has occurred.

6.4 Lead Manager Mandate

The Company has signed a mandate letter to engage EverBlu Capital to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	Under the terms of this engagement, the Company will:
	(a) pay EverBlu Capital
	(i) a 6% capital raising fee (plus GST) on the gross amount raised under the Offer; and
	(ii) a 6% capital raising fee (plus GST) on the gross amount raised under the Shortfall Offer; and
	(b) subject to Shareholder approval, issue EverBlu Capital that number of New Options as issued to subscribers under the Offer and the Shortfall Under less 10%.

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

In accordance with the requirements of the Companies Law, the Company has established a separate remuneration committee, which includes all outside Directors serving on the Board. The outside Directors must also comprise a majority of the Remuneration Committee, and an outside Director must serve as the chair. The Remuneration Committee currently consists of Dafna Shalev-Flamm, Graeme Smith and James Ellingford.

In addition to the requirements under the Companies Law, the Remuneration Committee is governed by the Remuneration Committee Charter established by the Board, which is subject to review by the Board at any time. The Remuneration Committee is charged with the responsibility of, amongst other things:

- (a) reviewing and approving the executive remuneration policy, in accordance with the Companies Law, to enable the Company to attract and retain executives and Directors who will create value for Shareholders;
- (b) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- (c) recommending to the Board the remuneration of executive Directors in accordance with the remuneration policy;
- (d) fairly and responsibly rewarding executives having regard to them performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- (e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (f) reviewing and approving the remuneration of Director reports to the Chief Executive Officer, and as appropriate the remuneration of other senior executives; and
- (g) reviewing and approving any equity-based plans and other incentive plans.

The Remuneration Committee must also recommend to the Board a policy regarding the terms of engagement of Directors and of specified members of

senior management, which is referred to as a "remuneration policy". That remuneration policy must be adopted by the Board, after considering the recommendations of the remuneration committee, and will need to be brought for approval by Shareholders.

Compensation of an outside Director is determined prior to his or her appointment.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's Annual Report.

Director	FY ending 31 December 2021	FY ending 31 December 2022
Boaz Wachtel	A\$150,000	A\$150,000
Sharon Devir	A\$156,000	A\$156,000
Adam Blumenthal	A\$42,000	A\$42,000
Graeme Smith	A\$30,600	A\$29,400
Dafna Shalev-Flamm	A\$34,508	A\$42,031
James Ellingford	A\$42,000	A\$42,000

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or

(h) the Offer.

EverBlu Capital has acted as the lead manager of the Offer. The Company estimates it will pay EverBlu Capital \$54,926 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EverBlu has received \$710,904 (excluding GST) in fees from the Company.

Gross & Co (**GrossCo. Law**) has acted as Israeli solicitors to the Company in relation to the Offer. The Company estimates it will pay GrossCo. Law a fee of approximately US\$2,500 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, GrossCo. Law has received \$100,000 in fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$71,445.53 (excluding GST and disbursements) in fees from the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

EverBlu Capital has given its written consent to being named as the lead manager to the Offer in this Prospectus.

GrossCo. Law has given its written consent to being named as the Israeli solicitors to the Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$111,916 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,322
Lead Manager fee	61,688
Legal fees	23,700 ¹
Printing and distribution	10,000
Miscellaneous	3,000
Total	\$111,916

Notes:

1. US\$2,500 of legal fees payable to GrossCo. Law have been calculated based on an USD:AUD exchange rate of 1:1.48 as at 16 November 2022.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Boaz Wachtel
CEO and Executive Chairman
For and on behalf of
Roots Sustainable Agricultural Technologies Ltd

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Articles means the Company's Articles of Incorporation.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ARBN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CDI Holder means a holder of CDIs.

CDIs means CHESS Depositary Interests issued by CDN, where each CDI represents a beneficial interest in one Share.

CDN means CHESS Depositary Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depositary of the CDIs under the ASX Settlement Operating Rules.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Companies Law means Companies Law 5759 – 1999 (Israel).

Company means Roots Sustainable Agricultural Technologies Ltd (ARBN 619 754 540).

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible CDI Holder means a CDI Holder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a CDI Holder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

EverBlu Capital means EverBlu Capital Pty Ltd (ACN 612 793 683) (AFSL 499 601).

Exercise Price means the exercise price of the New Options being \$0.005.

Ineligible CDI Holder means a CDI Holder as at the Record Date whose registered address is not situated in Australia, New Zealand or Israel.

IP means intellectual property.

National Authority means the Israel Innovation Authority (formerly named, the Office of Chief Scientist).

New Option means an Option issued on the terms set out in Section 4.2.

NIS means New Israeli Shekel.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a CDI.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a CDI, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the CDI.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

R&D Law means the Encouragement of Research, Development and Technological Innovation Law, 5744-1984 (Israel) and the Regulations for the Encouragement of Research and Development in Industry (Rate of Royalties and Rules for their Application), 5756-1996.

Section means a section of this Prospectus.

Security means a Share, CDI, Option or Performance Right, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share or a CDI.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

US\$ or USD\$ means the lawful currency of the United States of America.

WST means Western Standard Time as observed in Perth, Western Australia.