



ASX and MEDIA RELEASE

05 February 2020

Second Commercial sale of Root Zone Temperature Optimization (RZTO) technology secured to Israeli cannabis grower

- A follow-on sale valued at \$36K AUD to a leading medicinal cannabis grower Barlev agricultural crops Ltd (Barlev) valued total of \$84K AUD.
- Follows successful commercial outcomes of RZTO technology already in place on Barlev's farm
- Provides considerable validation of technology and visibility in agribusiness market locally and globally
- Strong sales pipeline building – multiple revenue generating agreements pending

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to advise that it has secured a \$36K AUD sale on top of previous order of \$47K AUD for its Root Zone Temperature Optimisation (RZTO) technology, from Barlev agricultural crops Ltd (Barlev), a prominent Israeli medical cannabis producer. The order was secured following a successful fully commercial, RZTO technology installation on the grower's farm in Israel.

RZTO technology optimises plant physiology for increased growth, productivity and quality by stabilising the plant's root zone temperature year around. Optimal root zone temperature is known to be the most influential parameter in a plant's physiology besides water.

Growing cannabis poses a unique set of challenges for growers, due to multiple stages of growth and special conditions required. Root's RZTO technology can mitigate these challenges by providing a stable temperature during any season and growth stage to ensure supply stability and greater plant standardization.

As part of the follow-on order, Roots installed its unique RZTO technology across additional of 1,500 square metres in one of Barlev's greenhouses in Israel. Roots is hopeful that additional orders from Barlev will follow as it continues to expand its growing facilities in the coming months.

The sale provides further validation of the RZTO technology and builds on the Company's ongoing push into the global cannabis sector. Roots has made considerable progress in recent weeks and is confident that more revenue generating opportunities will materialise very soon.

Roots Executive Chairman and CEO, Boaz Wachtel said: *"the second commercial sale expansion sale of our RZTO technology is the ultimate validation of its effectiveness with crop growers. We look forward to delivering measurable commercial benefits for Barlev and other growers.*

"This purchase order also supports Roots increased visibility in the Israeli and International cannabis sector, as well as at the broader agribusiness market.

"The Company has a strong sales pipeline building and is confident that additional revenue generating opportunities will materialise shortly."

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About Roots Sustainable Agricultural Technologies Ltd:

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

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

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

More information www.Rootssat.com

About Root Zone Temperature Optimization (RZTO)

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

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

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

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Forward looking statements

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

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

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