

ASX and MEDIA RELEASE

18 May 2020

Roots raises A\$280,000 in private placement

- **Placement of A\$280,000 to Sophisticated and Professional Investors**
- **Placement price of A\$0.018 per share represents a 14% discount to the 15-day volume weighted average price of A\$0.021**
- **Conclusion of Convertible Securities Agreement with CST Capital Pty Ltd**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) has received firm commitments to raise A\$280,000, before expenses, by way of a placement of CDIs to sophisticated and professional investors. The issue of the CDIs will be made under the Company's available placement capacity under Listing Rule 7.1.

The 15,555,556 CDIs will be issued at A\$0.018 per CDI, representing a 14% discount to the 15-day volume weighted average price (**VWAP**) to 13 May 2020. The new CDIs will rank equally with that of existing CDIs on issue.

The funds raised from the placement will be used to commercialise **Root Zone Temperature Optimization** (RZTO) sales, marketing and business development opportunities, installation and engineering costs, to pay out existing debt, placement costs, and for working capital.

Commenting on the placement, Roots CEO, Mr Boaz Wachtel said, "Roots is pleased to raise funds now with our lead broker Everblu under difficult market conditions. We hope that the international opening of movement will help Roots regain the sales volume it anticipated before the COVID-19 pandemic."

Everblu Capital Pty Ltd acted as lead manager for the capital raising and will receive a fee of 6% of the total funds raised and, subject to receipt of prior shareholder approval to be sought at a future general meeting - 1,000,000 CDIs.

In addition, the Company advises that the convertible securities agreement between the Company and CST Capital as trustee for The CST Investment Fund (**CST Capital**), as announced to the market on 8th February 2019 has concluded.

As part of the redemption and termination arrangements between the Company and CST Capital and the outstanding 98,000 Convertible Securities on issue, the following has been agreed:

1. cash payment of A\$100,000;
2. issue of 3,582,385 conversion CDIs to CST Capital; and
3. forgiving 1,650,000 Collateral CDIs previously issued to CST Capital.

The board of Roots wishes to thank CST Capital for its ongoing support of the Company in difficult market conditions.

-ENDS-

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 in 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 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. Using either sophisticated heat pumps and/or Ground Source Heat Exchange (GSHE) coils the Technology stabilizes root zone temperature year round, by either heating or cooling the roots as needed. Heated (or cooled) water is pumped in a closed cycle through the pipes installed in the root zone, where the heat (or cold) is discharged.

This significantly increases yields and provides flexibility of growing cycle planting options, improves quality, mitigates extreme heat and cold stress on plants, reduces disease load, all these benefits achieved with a fraction of energy compared with air climate control currently available in the market.

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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