

24 October 2019

Listing Rule 3.10.5A Disclosure

Further to the announcement lodged with ASX on 23 October 2019 in relation to the Placement, Roots Sustainable Agricultural Technologies Limited (**Company**) confirms that it has issued 17,464,750 Chess Depository Interests (CDIs) at \$0.043 per CDI (**Placement CDIs**). An Appendix 3B in respect of the CDIs issued is attached.

The Company issued 8,464,750 Placement CDIs under its placement capacity under Listing Rule 7.1 and 9,000,000 Placement CDIs under its placement capacity under 7.1A. It is intended for the balance of approximately 1,535,264 Placement CDIs to be issued under the Company's Listing Rule 7.1 placement capacity tomorrow, 25 October 2019.

The Company provides the following information as required under ASX Listing Rule 3.10.5A in respect of the CDIs issued under the Company's 10% Placement Capacity under Listing Rule 7.1A:

- a) The dilutive effect of the Placement under LR 7.1A on existing shareholders is as follows:

Number of CDIs on issue prior to the issue of the Placement CDIs LR7.1A: 93,388,125

	Percentage
Dilution as a result of issue under LR 7.1 of 8,464,750 CDIs	8.31%
Dilution as a result of issue under LR 7.1A of 9,000,000 CDIs	8.79%
Total Dilution	17.10%

- b) The 9,000,000 CDIs issued under Listing Rule 7.1A were issued to sophisticated and professional investors as it was considered to be the most efficient mechanism for raising funds at the time;
- c) There were no underwriting arrangements entered into; and
- d) Fees for the placement included a capital raising fee of 6% of total funds raised, and subject to shareholder approval, the issue of 1,000,000 CDIs and 1,000,000 listed options exercisable at \$0.12 on or before 25 July 2022 (ROOO).

-ENDS-

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Roots Sustainable Agricultural Technologies Ltd

ARBN

619 754 540 – A Company Registered in Israel

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------------------------|
| 1 | +Class of +securities issued or to be issued | Chess Depository Interests (CDIs) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 17,464,750 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | CDIs |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	Issue price of \$0.043 per CDI
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Placement to professional and sophisticated investors as announced to ASX on 23 October 2019. The funds raised from the placement will be used to commercialise RZTO marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in the United States, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 May 2019
6c	Number of +securities issued without security holder approval under rule 7.1	8,464,750 CDIs

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	9,000,000 CDIs	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Issue Price: \$0.043 75% of 15 Day VWAP: \$0.0381 Issue Date: 24 October 2019 Source: Commsec	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 1,669,948 7.1A 1,985	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix	24 October 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		92,094,221	CDIs
		13,832,402	Listed Options (exercisable at \$0.12 each expiring 25 July 2022) (ASX: ROOO)

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	18,758,654	CDIs (subject to escrow until 6 December 2019)
	1,625,000	Options exercisable at \$0.01 cents each expiring 30 November 2022 (Subject to vesting conditions)
	602,500	Options exercisable at \$0.01 cents each expiring 17 June 2024 (Subject to vesting conditions)
	1,935,484	Options exercisable at \$0.14 each expiring 19 August 2020
	5,933,333	Performance Rights (Subject to Performance Milestones) (subject to escrow until 6 December 2019)
	13,200,000	Performance Rights (Subject to Performance Milestones)
	428,000	Replacement Convertible Notes
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is currently no dividend policy for the Company	

Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

⁺ See chapter 19 for defined terms.

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders – To be advised when issued
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories – To be advised when issued
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 24 October 2019

Print name:

Sarah Smith

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	63,966,667
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	1,650,000 Collateral CDIs issued 19 February 2019 (ratified by shareholders on 23 May 2019) 1,752,500 CDIs issued 4 April 2019 (ratified by shareholders on 23 May 2019) 220,000 CDIs issued 4 April 2019 (ratified by shareholders on 23 May 2019) 66,666 CDIs issued on 4 April 2019 (Exception 4 to Listing Rule 7.2) 15,221,430 CDIs issued 23 May 2019 (approved by shareholders on 23 May 2019) 1,015,152 CDIs issued 3 June 2019 (approved by shareholders on 23 May 2019) 1,111,112 CDIs issued 12 July 2019 (approved by shareholders on 23 May 2019) 2,272,728 CDIs issued 27 August 2019 (approved by shareholders on 23 May 2019) 1,076,924 CDIs issued 27 August 2019 (ratified by shareholders on 11 September 2019) 1,666,667 CDIs issued 25 September 2019 (approved by shareholders on 23 May 2019)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	90,019,846

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	13,502,977
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	68,279 CDIs issued 4 April 2019 880,000 CDIs issued 25 July 2019 2,420,000 CDIs issued 2 October 2019 8,464,750 CDIs issued 24 October 2019
“C”	11,833,029
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	13,502,977
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	11,833,029
Total [“A” x 0.15] – “C”	1,669,948 <i>Note: this is the remaining placement capacity under rule 7.1</i>

⁺ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	90,019,846
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	9,001,985
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	9,000,000 CDIs issued 24 October 2019
“E”	9,000,000

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	9,001,985
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	9,000,000
Total [“A” x 0.10] – “E”	1,985 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.