

ASX and MEDIA RELEASE

3 February 2020

Roots secures A\$0.5 million in private placement

- **Placement of A\$0.5 million to Sophisticated and Professional Investors**
- **Placement price of A\$0.033 per share represents a 13% discount to the 30-day volume weighted average price of A\$0.038**
- **Strong endorsement of Roots opportunities to commercialise its Root Zone Temperature Optimization (RZTO) technology growth, and expand its cannabis growers marketing and sales activity in N.America**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) has received firm commitments to raise A\$500,000, before expenses, by way of a placement of CDIs to sophisticated and professional investors. Issue of the CDIs will be made under the Company's available placement capacities with 2,841,909 CDIs to be issued under Listing Rule 7.1 and 12,309,606 CDIs to be issued under Listing Rule 7.1A.

The 15,151,515 CDIs will be issued at A\$0.033 per CDI, representing a 13% discount to the 30-day volume weighted average price (**VWAP**) to 29 January 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)** marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in N. America, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital.

Commenting on the placement, Roots CEO, Mr Boaz Wachtel said, "We would like to welcome our new investors onto our register and recognise the continued support of our existing investors who participated. The placement is an endorsement of our substantial opportunities to commercialise our **Root Zone Temperature Optimization** technology across multiple geographies, as we build on the momentum gained from initial sales. The funding secured in this placement will allow us to accelerate our growth in the N. American cannabis market, over the medium term".

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 - 2,000,000 CDIs.

-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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