

1 December 2020

Roots Broadens European Footprint with LOI for the Balkans

- **LOI signed with Avital COO, a large agriculture and water treatment technology provider with an established customer base in Serbia and other Balkan nations**
- **LOI to progress RZTO and heat exchange probe technology demonstration at a commercial blueberry farm in Serbia which is a major producer of blueberries cultivating over 500 tonnes per annum**
- **Broadens Roots' presence in Europe considerably – now represented in Italy, Spain, the Balkans with more markets earmarked**
- **Development aligned with strategy of pilot trials followed by commercial orders in said territory**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to advise that it has expanded its presence in Europe through a letter of intent (LOI) with established agriculture and water treatment technologies supplier, Avital COO ("Avital") (www.avital.rs) to deploy the Company's the Company's proprietary Root Zone Temperature Optimisation (RZTO) and heat exchange probe technology into Serbia and other countries in the Balkans.

Established in 2002, Avital is at the forefront of agriculture and water treatment technologies. The group has a strong track record of delivering successful, sustainable projects across Serbia and other Balkan countries and is the sole dealer of other major irrigation companies to a wide range of customers.

Under the LOI, Roots and Avital will progress a demonstration of the RZTO and heat exchange probe technology at one of Avital's customer farms which is a commercial grower of blueberries. Further, both parties will progress the LOI to a binding agreement whereby Avital becomes Roots' preferred distributor for Serbia and select Balkan nations. This means Roots will have a broader presence in Europe encompassing the Balkans, Italy and Spain.

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

Roots' heat exchange probe is designed to be inserted into the tops of plant's pots and grow bags to significantly simplify working procedures, reduce labour and allow for easier pot mobility.

The Company expects to commence the trial with Avital's customer in Q1 2021 or before. As part of the initiative, 420 blueberry plants will be heated or cooled as needed, based on local agronomical protocol, matching the RZTO performance versus a separate control group. Roots is confident that a successful trial will generate revenue generating installation and service contracts in Serbia. The country is a major producer and exporter of blueberries cultivating over 500 tonnes annually.

Roots Executive Chairman and CEO, Boaz Wachtel said: *"This LOI is a very promising development for Roots and is an excellent opportunity to establish our technology in another major European market and build a strong commercial sales pipeline. We expect that our RZTO and stub technologies will be well received by blueberry growers in the Avital network and provides us with seamless entry into another large, new agricultural market with a strong partner.*

"Demand continues to increase for our offering, particularly as food security is becoming an ever increasing concern for countries the world over. The pandemic that has defined 2020 has created major disruptions to

food supply chains and crop cultivation globally and this is going to be much more evident in 2021 as food shortages and increased prices become much more apparent. More countries are therefore looking to technology solutions to strengthen their domestic food cultivation and supply capabilities over the longer term and rely less on imports. Roots is therefore in the box seat to benefit here as we establish our presence in more key markets.”



Images: Avital's customer site in Serbia



Image: Roots' heat exchange probe

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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.

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Roots has developed proprietary know-how and patents to optimise performance, save labour, 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.

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

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.