

4 December 2020

## Roots strongly placed with RZTO technology following UN declassification of Medical Cannabis

- **The UN decision recognizes Cannabis' medical potential more than 60 years after its classification in the most restrictive IV category**
- **Roots' Chairman Boaz Wachtel was a steering committee member of ENCOD "The European Coalition for Just and effective drug policies", one of the NGO's instrumental in changes Medical Cannabis' classification**
- **The Cannabis sector is Roots' largest market for its proprietary RZTO technology**
- **Significant ramp up in industry activity anticipated; Roots strong positioned with market-leading technology to benefit**

**Roots Sustainable Agricultural technologies Ltd.** is pleased to advise that the United Nations Commission on Narcotic Drugs (UNCND) has voted to remove cannabis from Schedule IV of the 1961 drug convention treaty. Substances classified under Schedule IV are considered *'with no medical use and with high potential for abuse'* and compiled Cannabis with Heroin as the most dangerous and addictive drugs. Cannabis will now remain under Schedule I, which is the least restrictive drug classification aimed for substances with *'medical value and low potential for abuse'*.

The significant decision in essence recognises the potential medical properties of cannabis and will now tilt many countries to initiate national medical cannabis programs in full adherence with UN drug conventions. Roots is expected to benefit significantly from the new ruling as some existing cultivation operations are likely to increase production and new countries will enter the Medical Cannabis sector allowing commercial cultivation where Roots systems are successfully used.

The ruling has the capacity to unlock a number of near-term and medium term sales opportunities for ROOTS which has a significant pipeline of sales opportunities established in the cannabis cultivation sector globally.

Roots' CEO and Chairman Creso Pharma's Co-founder Boaz Wachtel was a steering committee member at the European Coalition for Just and Effective Drug Policies ("ENCOD") and a founding member of the International Medical Cannabis Patient Coalition which were instrumental (with NGO – FAAAT) in driving the change in classification of cannabis. Mr Wachtel attended a number of UN Drug Convention meetings in Vienna and assisted in writing and coordinating research papers that were submitted to the Commission of Narcotic Drugs ahead of the vote. He also liaised with some of the 250 Non-Government Organisations that signed a petition around the reclassification of cannabis.

### Commentary

**CEO and Chairman, Boaz Wachtel said:** *"The UN ruling to declassify cannabis is a landmark decision and paves the way for the relaxing of cannabis drug classifications in large markets across the world. The result of this vote follows 60 years of the status quo, three years of scientific review by the world's leading health organisations, two years of diplomatic discussions and considerable lobbying from NGOs.*

*"I am proud and privileged to have been a part of a small group of dedicated industry leaders that have fought for decades to reschedule cannabis. I am very confident that this decision will unlock a number of opportunities for Roots, and I look forward to working with the Board and management to unlock further value for shareholders."*



-ENDS-

**For further information please contact:**

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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.*

**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, 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](http://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.

**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.