

10 December 2020

Roots receives commitments to raise A\$3.955m via private placement

- Placement of A\$3.955m to institutional, sophisticated and professional investors
- Placement price of A\$0.022 per CDI represents a 22.9% discount to the 5-day volume weighted average price
- Roots now funded to aggressively pursue opportunities in the cannabis sector and further deployment of Root Zone Temperature Optimisation (RZTO) technology into multiple agricultural markets globally
- Roots' existing operations in California will allow it to benefit from the relaxation of regulatory restrictions on cannabis
- Funds will also be used to advance opportunities in Roots' dedicated plant-based meat division; positive progress to be reported shortly

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to advise it has secured firm commitments from institutional, professional and sophisticated investors to raise up to A\$3,955,851 (before costs), through the issue of approximately 179,811,397 CDIs at an issue price of \$0.022 per CDI ("the Placement"). The issue price represents a 22.9% discount to the 5-day volume weighted average price.

The Company will issue CDIs to participants in the Placement on the following basis:

- a. 53,341,384 CDIs issued pursuant to the Company's available placement capacity under Listing Rule 7.1
- b. 35,560,922 CDIs pursuant to the Company's available placement capacity under Listing Rule 7.1A
- c. 90,909,091 CDIs pursuant to shareholder approval which was obtained on 25 November 2020

The Placement CDIs will be issued at A\$0.022 per CDI, representing a 22.9% discount to the 15-day volume weighted average price (VWAP) to 7 December 2020. The new CDIs will rank equally with that of existing CDIs on issue.

The funds raised from the Placement are intended to be used for local and international sales and marketing activity, operating expenses including employee salaries, patent maintenance and registering new IP, experimental greenhouse maintenance and pilots, plastic mouldings in Israel, legal and administrative costs, payout of existing debt, expansion of protein programs and pursuing global cannabis opportunities.

Following the recent decision by the US House of Representatives to pass the Marijuana Opportunities Reinvestment Expungement ("MORE") Act, which would decriminalise cannabis use in the US on federal level, Roots is extremely well positioned to aggressively pursue opportunities in North



America. The Company has existing partnerships in California that will allow it to benefit from the legislation in the near and medium term.

The Company also expects to expand operations across Europe following the recent ruling by the Court of Justice of the European Union (“CJEU”), which stated that member states cannot prohibit the marketing of lawfully produced CBD.

As well, Roots is pursuing opportunities in the plant-based meat sector in Israel and other markets, and following the announcement in August this year that it had established a dedicated division with the support of globally recognised food chemist and researcher Zohar Kerem, the Company anticipates report on some positive developments here very shortly.

Lead Manager

EverBlu Capital Pty Ltd (‘EverBlu’) acted as lead manager and corporate advisor for the Placement. EverBlu will receive a fee of 6% of the total funds raised and, subject to shareholder approval, be issued 3,000,000 CDIs for every \$1 million raised under the Placement, being a total of 11,867,553 CDIs.

Roots Executive Chairman and CEO, Boaz Wachtel said: *“We are delighted with the strong level of demand from investors in this Placement and would like to welcome new shareholders to the register and thank existing shareholders for their ongoing support.*

“This placement gives Roots the financial flexibility to aggressively scale up operations in key markets including North America, Europe and of course Israel. Recent regulatory shifts in the US and from leading bodies including the CJEU and the United Nations, have left Roots very well positioned to capitalise on the emerging cannabis sector which currently represents our largest and most lucrative market opportunity. Our RZTO technology have been proven to increase yield of cannabis plants, while maintaining THC levels, and we are very confident a number of opportunities will materialise shortly.

“While the cannabis sector is promising, food security is also a major issue facing established and developing nations and demand for our technology is growing significantly. This is also applicable to the plant-based meat sector where our dedicated division is making some excellent progress. We look forward to updating shareholders on key growth developments in the very near term.”

-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 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

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 has been approved for release by the Board of Roots

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.