

18 March 2021

New sale contract secured with Puerto Rican cannabis farm

- **A\$51,700 sales contract for over 2,000 exchange probe units from Caribbean CBD Farm Inc.**
- **Technology to be deployed to heat and cool cannabis plants while driving yield – previous test work has shown RZTO has led to a 20% or more increase in cannabis plant yield**
- **Puerto Rico represents a large opportunity – the region now has 31 licenced cannabis producers**
- **Business development initiatives underway to drive growth in international markets**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to report that it has secured a new sales contract for its proprietary Root Zone Temperature Optimisation (RZTO) technology valued at A\$51,700 from Caribbean CBD Farm Inc., a Puerto Rico based cannabis farm.

The sales contract consists of over 2000 units of Roots' revolutionary probe product, which will be inserted into pots located around the farm. The technology will utilise a heat pump, circulation pump and an electrical panel, which will be deployed to heat and cool the roots of the cannabis plants. Mobile and PC application developed by ROOTS provides the farmers with real time feedback from sensors of temperatures and functionality readings of the system.

The Roots heat exchange probe technology was designed to be inserted into the tops of plant's pots and grow bags to significantly simplify working procedures and ease of operations. RTZO technology optimises plant physiology for increased growth, productivity and quality by stabilising the plant's root zone temperature year around. Optimal root zone temperature is known to be the most influential parameter in plant's physiology besides water.



Image one: Exchange probe technology being used to increase cannabis plant yield

Previous test work has shown that the Company's probe technology has increased cannabis yields by 20% or more. Additional sales in the cannabis cultivation sector are anticipated and this is the largest and most prospective market for RZTO globally.



Puerto Rico represents another large addressable market for Roots. In 2015ⁱ, medicinal cannabis was made legal and since, Puerto Rico has witnessed a steady increase in patients utilising it for treatment. The territory now has 31 licenced cannabis producersⁱⁱ, providing a number of potential opportunities for Roots.

Roots Executive Chairman and CEO, Boaz Wachtel said: *"This sales agreement with Caribbean CBD Farm provides further validation of the considerable benefits that our RZTO and probe technology bring to the cannabis industry."*

"System installation is soon underway and we expect it to be finalised in the coming weeks. We are also progressing a number of business development initiatives across the region and international markets to drive sales growth. Roots has a strong business development pipeline and we look forward to updating shareholders on progress in the coming weeks."

-ENDS-

This announcement was authorised to be given to the ASX by the Board of Roots Sustainable Agricultural Technologies Limited.

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, 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 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. A Hybrid version between GSHE installation and heat pumps is available as well as Heat pumps installations alone where GSHE installation is not possible.

The technology 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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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.

ⁱ <https://time.com/3845638/puerto-rico-medical-marijuana/>

ⁱⁱ <https://www.cannabisbusinesstimes.com/article/against-the-wind-tropizen-cannabis-puerto-rico/>