

23 March 2021

Roots to progress plant and hemp-based meat alternative operations in the USA

- **Survey of global suppliers and pricing for hemp-based protein product launch completed in collaboration with Hempoint**
- **Initial LOI with Hempoint to be amended – Hempoint to become consultancy arm of Roots’ plant and hemp-based meat department**
- **Steps to establish US based alternative meats venture underway – multiple partners expected to be signed near term**
- **Plant based meats market provides considerable opportunity – market expected to grow to US\$240Bn in the next two decadesⁱ**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) is pleased to provide update on activities related to the Company’s plant and hemp-based meat department and progress with leading organic hemp grower and hemp food manufacturer Hempoint s.r.o. (Hempoint) (www.hempoint.cz).

Hempoint is based in the Czech Republic and part of the Czechemp group, a non-governmental, non-profit organisation of public and private companies, and R&D groups actively exploring opportunities in the Czech hemp and medicinal cannabis industry.

Roots secured a non-binding Letter of Intent (LOI) with Hempoint in December 2020 (refer ASX announcement: 16 December 2020) to progress opportunities in the lucrative organic plant and hemp-based alternative meat market. Since executing the LOI, Hempoint have completed a global survey for Roots to generate data on suppliers and pricing of hemp protein for the meat replacement market.

The Company, in collaboration with Hempoint will now utilise this data to advance a number of initiatives, including the launch of hemp-based meat replacement products, as well as the establishment of a US hemp-based food venture. Both parties will amend the initial LOI and progress another agreement, which will see Hempoint become a consultancy arm for Roots.

Roots is well advanced in the formation of a US-based corporation to sell and distribute plant and hemp-based foods and meat replacement products, with preparations underway to finalise a multi-year plan with American-based partners. The Company expects to provide further updates over the coming months.

The alternative meats market represents a significant opportunity for Roots. Plant and hemp-based alternative meat products are gaining considerable traction, driven by consumers seeking health dietary options and R&D efforts from health experts and food manufacturers. The market is anticipated to grow to US\$27.9Bnⁱⁱ and to over US\$240Bn in the next two decades.

Roots Executive Chairman and CEO, Boaz Wachtel said: *“We have undertaken considerable work in the last few months with Hempoint and expect that the survey and background data compiled will provide us with a very solid base to progress opportunities in the plant and hemp-based meat markets.*

“Our key near-term focus is to advance an operation in the US, with the launch of our hemp-based meat replacement products to follow shortly after. The US is a large addressable market, which has a number of food supply issues and it could be very lucrative for Roots.

“The Company is very well placed to capitalise on the growing global concerns around food security for developing and established nations, and cementing relationships with the likes of Hempoint and others will advance this further.”



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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.

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.

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 Board of Roots Sustainable Agricultural Technologies Limited.

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://www.bloomberg.com/news/articles/2019-10-29/get-ready-for-hemp-and-cricket-burgers-as-peas-face-challengers>

ⁱⁱ <https://www.marketsandmarkets.com/new-reports.html>