For personal use only

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES LTD
ARBN 619 754 540

PROSPECTUS

For an offer of:

(a) 100,000 chess depositary interests (**CDIs**), where each CDI represents a beneficial interest in one fully paid ordinary share in the capital of the Company (**Share**) at an issue price of $0.01 per CDI to raise $1,000 (**CDI Offer**);

(b) 500,000 Listed Options exercisable at $0.12 each on or before 24 July 2022 at an issue price of $0.002 per Listed Option to raise $1,000 (**Listed Options Offer**);

(c) 4,833,333 Unlisted Options exercisable at NIS$0.01 each on or before the date that is five years from the date of issue (**Unlisted Options Offer**); and

(d) 18,000,000 Performance Rights which will vest subject to satisfaction of various milestones (**Performance Rights Offer**),

(together, the **Offers**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered under this Prospectus should be considered as highly speculative.

TABLE OF CONTENTS

1. CORPORATE DIRECTORY 4
2. THE OFFERS 5
3. PURPOSE AND EFFECT OF THE OFFERS 11
4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES 14
5. RISK FACTORS 23
6. ADDITIONAL INFORMATION 33
7. GLOSSARY 40

For personal use only

For personal use only

IMPORTANT NOTICE

This Prospectus is dated 14 October 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section5.

Overseas shareholders

The Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia and Israel.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.3 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at (www.rootssat.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or Israeli resident and must only access this Prospectus from within Australia or Israel.

The Corporations Act prohibits any person passing onto another person

For personal use only

an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6559 1792 during office hours or by emailing the Company at info@rootssat.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6559 1792.

Regulation of Roots Sustainable Agricultural Technologies Ltd

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC but are instead regulated by Israeli company law (including the Companies Law) and other applicable Israeli law and the Ministry of Justice – Corporations Authority of the State of Israel.

For personal use only

1. CORPORATE DIRECTORY

Directors

Boaz Wachtel
CEO and Executive Chairman

Sharon Devir
Executive Director

Dafna Shalev-Flamm
Non-Executive Director

Adam Blumenthal
Non-Executive Director

Graeme Smith
Non-Executive Director

Peter Hatfull
Non-Executive Director

James Ellingford
Non-Executive Director

Company Secretary

Sarah Smith

Share Registry*

Automic Registry Services
Level 2, 267 St Georges Terrace
PERTH WA 6000

Registered Office

c/- Mirador Corporate Pty Ltd
Suite 2, Level 1, 1 Altona Street
WEST PERTH WA 6005

Telephone:+61 8 6559 1792

Email: roots@rootssat.com
Website: www.rootssat.com

ASX Code

ROO

Australian Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Israeli Solicitors

Gross & Co
One Azrieli Center
Round Building
Menachem Begin St
Tel Aviv 6701101 Israel

Auditors*

BDO - Tel Aviv
Amot Bituach House Bldg.
B 48 Derech Menachem Begin Rd
Tel Aviv Israel

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

For personal use only

2. THE OFFERS

2.1 Details of the Offers

The CDI Offer

The CDI Offer is an offer of 100,000 CDIs, where each CDI represents a beneficial interest in one Share, at an issue price of $0.01 per CDI, to raise $1,000 (before expenses). The CDI Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the CDIs offered under this Prospectus will rank equally with the CDIs on issue at the date of this Prospectus. Please refer to Section 4.1for further information regarding the rights and liabilities attaching to the CDIs.

The Listed Options Offer

The Listed Options Offer is an offer of 500,000 Listed Options exercisable at $0.12 each on or before 24 July 2022, at an issue price of $0.002 per Listed Option to raise $1,000 (before expenses). The Listed Options Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Listed Options offered under this Prospectus will be issued on the terms and conditions set out in Section 4.2.

The Unlisted Options Offer

The Unlisted Options Offer is an offer of 4,833,333 Unlisted Options exercisable at NIS$0.01 each on or before the date that is five years from the date of issue.

The Unlisted Options Offer will only be extended to the following parties:

(a) 1,833,333 Unlisted Options will be offered to Mr Adam Blumenthal (or his nominee);

(b) 2,000,000 Unlisted Options will be offered to Dr Sharon Devir (or his nominee); and

(c) 1,000,000 Unlisted Options will be offered to Mr Boaz Wachtel (or his nominee).

Application Forms will only be provided by the Company to these parties.

The Unlisted Options offered under this Prospectus will be issued on the terms and conditions set out in Section 4.3.

The Performance Rights Offer

The Performance Rights Offer is an offer of 18,000,000 Performance Rights which will vest subject to satisfaction of various milestones.

The Performance Rights Offer will only be extended to the following parties on the following terms:

(a) 9,000,000 Performance Rights will be offered to Dr Sharon Devir (or their nominee), comprising:

(i) 3,000,000 Class H Performance Rights;

(ii) 3,000,000 Class I Performance Rights; and

(iii) 3,000,000 Class J Performance Rights; and

(b) 9,000,000 Performance Rights will be offered to Mr Boaz Wachtel (or their nominee), comprising:

(i) 3,000,000 Class H Performance Rights;

(ii) 3,000,000 Class I Performance Rights; and

(iii) 3,000,000 Class J Performance Rights.

Application Forms will only be provided by the Company to these parties.

The Performance Rights offered under this Prospectus will be issued on the terms and conditions set out in Section 4.4.

2.2 Purpose of the Offers

The CDI Offer and the Listed Options Offer

The primary purpose of the CDI Offer and the Listed Options Offer (together, the **Cleansing Offers**) is to remove any trading restrictions that may have attached to CDIs or Listed Options (the **Listed Securities**) issued by the Company prior to the Closing Date of the Cleansing Offers. In particular, the Cleansing Offers are intended to remove any on-sale restrictions that may affect the Listed Securities which are intended to be issued prior to the Closing Date of the Cleansing Offers. Accordingly, the Company is seeking to raise only a nominal amount of $2,000 under the Cleansing Offers as the purpose of the Cleansing Offers is not to raise capital.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

(a) the relevant securities are in a class of securities that are quoted securities of the body; and

(b) either:

(i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

(ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

For personal use only

(c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The Unlisted Options Offer and the Performance Rights Offer

The Unlisted Options Offers and the Performance Rights Offer are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80, with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Unlisted Options and Performance Rights are issued with disclosure under this Prospectus then the Shares or CDIs issued upon the exercise of the Options or conversion of any Performance Rights can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

2.3 Minimum subscription

There is no minimum subscription to the Offers.

2.4 Not underwritten

The Offers are not underwritten.

2.5 Lead manager

There is no lead manager for the Offers under this Prospectus.

2.6 Applications for Securities

Applications under the CDI Offer and the Listed Options Offer

Applications for the CDI Offer and the Listed Options Offer can only be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the CDIs Offer must be made in full at the issue price of $0.01 per CDI and payment for the Listed Options Offer must be made in full at the issue price of $0.002 per Listed Option.

The Company does not currently intend to issue any Listed Securities under the Cleansing Offers. Accordingly, Application Forms in respect of the Cleansing Offers should only be submitted if instructed to by the Directors.

The Unlisted Options Offer

Applications for the Unlisted Options Offer can only be made by Mr Adam Blumenthal, Dr Sharon Devir and Mr Boaz Wachtel (or their nominees) and must be made using the appropriate Application Form accompanying this Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date of the Unlisted Options Offer.

The Unlisted Options are being issued for nil consideration and therefore the applicants are not required to pay any funds with the application.

For personal use only

For personal use only

Performance Rights Offer

Applications for the Performance Rights can only be made by Dr Sharon Devir and Mr Boaz Wachtel (or their respective nominees) and must be made using the appropriate Application Form accompanying this Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date of the Performance Rights Offer.

The Performance Rights are being issued for nil consideration and therefore the applicants are not required to pay any funds with the application.

By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the relevant Application Form together with a complete and unaltered copy of the Prospectus.

2.7 Issue of Securities

Cleansing Offers

As noted in Section 2.2, the primary purpose of the Cleansing Offers is to remove any trading restrictions that may have been attached to Listed Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Cleansing Offers (including prior to the date of this Prospectus).

If the Directors decide to issue Listed Securities under the Cleansing Offers, the issue of the Listed Securities will take place as soon as practicable after the Closing Date of the Cleansing Offers. Pending the issue of the Listed Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Listed Securities are issued, and each applicant waives the right to claim any interest.

The Directors will determine the recipients of the Listed Securities. The Directors reserve the right to reject any application or to allocate any applicant fewer Listed Securities than the number applied for. Where the number of Listed Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded (without interest) to the applicant as soon as practicable after the Closing Date of the Cleansing Offers.

Unlisted Options Offer and Performance Rights Offer

Securities issued pursuant to the Unlisted Options Offer and Performance Rights Offer under this Prospectus will be issued in accordance with the ASX Listing Rules and the timetable set out at Section 2.8 of this Prospectus.

Holding Statements

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities.

For personal use only

2.8 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	14 October 2021
Opening Date	14 October 2021
Closing Date of the Unlisted Options Offer and the Performance Rights Offer	9:00am (WST) on 15 October 2021
Issue of Securities pursuant to the Unlisted Options Offer and the Performance Rights Offer	15 October 2021
Closing Date of the Cleansing Offers*	18 October 2021

* The Directors reserve the right to bring forward or extend the Closing Date of any Offer at any time after the Opening Date without notice. As such, the date the Securities are expected to commence trading on ASX may vary with any change in the Closing Date.

2.9 ASX listing

Application for Official Quotation of the Listed Securities offered pursuant to this Prospectus will be made within seven days of the date of this Prospectus. If ASX does not grant Official Quotation of the Listed Securities offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Listed Securities and will repay all application monies for the Listed Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Listed Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company will not apply for Official Quotation of the Unlisted Options or the Performance Rights offered pursuant to this Prospectus.

2.10 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers are not being extended and Securities will not be issued to applicants with a registered address which is outside Australia or Israel.

<u>Israel</u>

The Company does not intend to offer the new securities to the public in Israel within the meaning of the Israeli Securities Law, 1968, or offer new securities, within any specific year, to more than 35 offerees resident in Israel. The new securities have not been approved or disapproved by the Israeli Securities Authority (the **ISA**), nor have such new securities been registered for sale in Israel. The new securities may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with the offering or publishing of this document; nor has it authenticated the details included herein, confirmed their reliability or

completeness, or rendered an opinion as to the quality of the new securities being offered. Any resale in Israel, directly or indirectly, to the public of the new securities offered by this document is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any Israeli regulatory authority. This document is not a product disclosure statement under Israeli law and is not required to, and may not, contain all the information that a product disclosure statement under Israeli law is required to contain.

2.11 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, on + 61 8 6559 1792.

For personal use only

For personal use only

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The primary purposes of the Offers are summarised in Section 2.2.

All of the funds raised from the Offers will be applied towards the expenses of the Offers. Refer to Section 6.9 of this Prospectus for further details relating to the estimated expenses of the Offers.

The principal effect of the Offers, assuming all Securities offered under this Prospectus are issued and no other Securities are issued, exercised or converted (other than as noted below) will be to:

(a) increase the number of CDIs on issue from 539,783,931 to 539,883,931. As noted in Section 3.2 below, the Company also anticipates that 49,592,346 CDIs will be issued prior to the Closing Date of the CDI Cleansing Offer. Accordingly, on completion of the Offers, the number of CDIs on issue will increase to 589,476,277;

(b) increase the number of Listed Options on issue from 20,165,752 to 20,665,752. As noted in Section 3.2 below, the Company also anticipates that 1,000,000 Listed Options will be issued prior to the Closing Date of the Listed Option Cleansing Offer. Accordingly, on completion of the Offers, the number of Listed Options on issue will increase to 21,665,752;

(c) increase the number of Unlisted Options on issue from 2,227,500 to 7,060,833;

(d) increase the number of Performance Rights on issue from 19,133,333 to 37,133,333; and

(e) remove any trading restrictions that may have attached to Listed Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Cleansing Offers (including prior to the date of this Prospectus).

3.2 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

CDIs[1]	Number
CDIs currently on issue	539,783,931
CDIs offered under this Prospectus	100,000
CDIs to be issued prior to the Closing Date of the CDI Cleansing Offer[2,3]	49,592,346
Total CDIs on issue on completion of the Offers[4,5]	**589,476,277**

Notes:

1. The rights and liabilities attaching to the CDIs are summarised in Section 4.1 of this Prospectus.
2. The Company obtained Shareholder approval at its annual general meeting held on 16 September 2021 (**Annual General Meeting**) to issue:
   a. an aggregate of 42,367,533 CDIs to EverBlu Capital Pty Ltd (**EverBlu Capital**) (or its nominees). These CDIs are proposed to be issued as part consideration for services

provided in respect of previous capital raisings, in accordance with the terms of the mandate between the Company and EverBlu Capital and as an out-of-scope fee for additional services provided; and

b. an aggregate of 1,223,125 CDIs to Directors Graeme Smith and Dafna Shalev Flamm (or their nominees) in lieu of director's fees.

These CDIs are anticipated to be issued prior to the Closing Date of the Cleansing Offers.

3. The Company is also intending to issue 6,001,688 CDIs to a contractor in lieu of cash fees for services provided prior to the Closing Date of the Cleansing Offers. These CDIs will be issued pursuant to the Company's available placement capacity under Listing Rule 7.1.

4. The Company also obtained Shareholder approval at the Annual General Meeting to issue up to 175,000,000 CDIs to professional and sophisticated investors under a placement. Participants in the Future Placement will also be issued one attaching Option for every four CDIs subscribed for and issued. These Securities are not intended to be issued prior to the Closing Date of the Offers.

5. Assuming that no Options are exercised, and no Performance Rights are converted prior to completion of the Offers.

Listed Options	Number
Listed Options currently on issue[1]	20,165,752
Listed Options offered under this Prospectus[1]	500,000
Listed Options to be issued prior to the Closing Date of the Listed Option Cleansing Offer[2]	1,000,000
Total Listed Options on issue on completion of the Offers[3]	**21,665,752**

Notes:

1. The rights and liabilities attaching to the Listed Options are summarised in Section 4.2 of this Prospectus.

2. The Company obtained Shareholder approval at the Annual General Meeting to issue 1,000,000 Listed Options to EverBlu Capital (or its nominees) as part consideration for services provided in respect of a capital raising. These Listed Options are proposed to be issued prior to the Closing Date of the Cleansing Offers.

3. The Company also obtained Shareholder approval at the Annual General Meeting to issue up to 175,000,000 CDIs to professional and sophisticated investors under a placement. Participants in the Future Placement will also be issued one attaching Option for every four CDIs subscribed for and issued. These Securities are not intended to be issued prior to the Closing Date of the Offers.

Unlisted Options	Number
Unlisted Options currently on issue[1]	2,227,500
Unlisted Options offered under this Prospectus[2]	4,833,333
Total Unlisted Options on issue on completion of the Offers	**7,060,833**

Notes:

1. Comprising 1,625,000 Options exercisable at $0.01 each on or before 30 November 2022 and 602,500 Options exercisable at $0.01 each on or before 17 June 2024.

2. The rights and liabilities attaching to the Unlisted Options are summarised in Section 4.3 of this Prospectus.

For personal use only

Performance Rights	Number
Performance Rights currently on issue	19,133,333
Performance Rights offered under this Prospectus[1]	18,000,000
Total Performance Rights on issue on completion of the Offers	**37,133,333**

Notes:

1. The rights and liabilities attaching to the Performance Rights are summarised in Section 4.4 of this Prospectus.

3.3 Financial effect of the Offers

After expenses of the Offers of approximately $28,206, there will be no proceeds from the Offers. The expenses of the Offers (exceeding $2,000) will be met from the Company's existing cash reserves.

As such, the Offers will have an effect on the Company's financial position, being receipt of funds of $2,000 less costs of preparing the Prospectus of approximately $28,206.

For personal use only

For personal use only

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Certificate of incorporation, Articles and rights attaching to Shares

The Company is incorporated in Israel, and the requirements of Israeli laws that registered shareholders have the right to receive a share certificate does not permit the CHESS system of holding uncertificated securities. Accordingly, to enable companies such as the Company to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued.

CDIs are electronic depository interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depositary Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDIs represent the beneficial interest in the underlying shares in a foreign company such as the Company and are traded in a manner similar to shares of Australian companies listed on ASX. Each CDI will be equivalent to one Share.

The following is a summary of the Company's securities and provisions of its Certificate of Incorporation and Articles. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) **Voting**

Unless otherwise indicated herein or required by applicable law, any Shareholders' resolution shall be deemed adopted if approved by an ordinary majority, including without limitation, a merger of the Company or an amendment to the Company's Articles, to the extent permitted by applicable law.

(b) **Dividends**

Subject to the Companies Law, the Board may from time to time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors to be appropriate. Subject to the Companies Law, the Board of Directors shall determine the time for payment of such dividends, and the record date for determining the shareholders entitled thereto.

(c) **Transfer of Shares**

No transfer of Shares shall be registered in the register of Shareholders unless a proper instrument of transfer (in form and substance satisfactory to the Secretary) has been submitted to the Company or its agent, together with any share certificate(s) and such other evidence of title as the secretary may reasonably require, and unless such transfer complies with applicable law and the Company's Articles. Until the transferee has been registered in the register of Shareholders in respect of the shares so transferred, the Company may continue to treat the transferor as the owner thereof. The Board of Directors may, from time to time, prescribe a fee for the registration of a transfer.

(d) **Issue of further Shares**

The unissued shares from time to time shall be under the control of the Board, who shall have the power to issue shares or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 11.f of the Company's Articles), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may deem fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, during such time and for such consideration as the Board may deem fit.

(e) **Winding-up**

Notwithstanding anything to the contrary in the Company's Articles, a Shareholders' resolution approved by a simple majority of the voting shares represented at such meeting in person or by proxy is required to approve the voluntary winding up of the Company.

(f) **Directors – appointment and removal**

The Board of Directors shall consist of up to five Directors, including two external Directors (if required under the Companies Law) to be appointed and removed by a simple majority vote of the shareholders.

The requirements of the Companies Law applicable to an external Director shall prevail over the provisions of the Company's Articles of Association to the extent that the Articles are inconsistent with the Companies Law, and shall apply to the extent that the Company's Articles of Association are silent. The Directors shall be elected at each annual general meeting and shall serve in office until the close of the next annual general meeting at which one or more Directors are elected, unless their office becomes vacant earlier in accordance with the provisions of the Company's Articles. External Directors are appointed for a three year term; the term can be extended twice, each for three years. Each Director, other than external directors, shall be elected by a Shareholders' resolution at the annual general meeting by the vote of the holders of a simple majority of the voting power represented at such meeting in person or by proxy and voting on such election; provided, however, that external Directors shall be elected by the affirmative vote of at least a majority of the voting power represented at the meeting, provided that either: (i) such majority vote at the meeting shall include at least a majority of the total votes of shareholders who are not controlling shareholders of the Company (as defined in the Companies Law) and do not have a personal interest (as defined in the Companies Law) in the approval of the proposal, participating in the voting at the meeting, without taking abstentions into account; or (ii) the total number of votes of the non-controlling shareholders mentioned in clause (i) above that are voted against such proposal does not exceed two percent (2%) of the total voting rights in the Company. For this purpose, "personal interest" is defined under the Companies Law as: (1) a shareholder's personal interest in the approval of an act or a transaction of the Company, including (i) the personal interest of any of his or her relatives (which includes for these purposes the foregoing shareholder's spouse, siblings, parents, grandparents, descendants, and spouse's descendants, siblings, and parents, and the spouse of any of the foregoing); (ii) a personal interest of a corporation in which a shareholder or any of his/her

For personal use only

aforementioned relatives serve as a director or the Chief Executive Officer, owns at least 5% of its issued share capital or its voting rights or has the right to appoint a director or Chief Executive Officer; and (iii) a personal interest of an individual voting via a power of attorney given by a third party (even if the empowering shareholder has no personal interest), and the vote of an attorney-in-fact shall be considered a personal interest vote if the empowering shareholder has a personal interest, and all with no regard as to whether the attorney-in-fact has voting discretion or not, but (2) excludes a personal interest arising solely from the fact of holding shares in the Company.

. The elected Directors shall commence their term immediately upon election, unless a later effective date is stated in the resolution with respect to their election.

Notwithstanding the other provisions of the Company's Articles of Association, one or more Directors may be elected by a Shareholders resolution at an extraordinary general meeting. Any Director appointed or elected in such manner (excluding an external Director) shall serve in office until the next annual general meeting at which one or more Directors are elected, unless his or her office becomes vacant earlier in accordance with the provisions of the Company's Articles.

An elected external Director shall commence his or her term from the date of the resolution of the general meeting at which he or she was elected, and shall serve for a period of three (3) years, unless his or her office becomes vacant earlier in accordance with the provisions of the Companies Law.

A Director may serve for multiple terms, provided, however, that the terms of service of an external Director shall be limited in accordance with applicable law.

(g) **Indemnities**

The Company may indemnify an officeholder therein, retroactively or pursuant to an advance undertaking, to the fullest extent permitted by law. Without derogating from the aforesaid the Company may indemnify an office holder the Company for liability or expense imposed on him or her in consequence of an action made by him in the capacity of his or her position as an office holder in the Company.

On 2 July 2017 the shareholders of the Company adopted a form of indemnification agreement with all current and future members of the Board.

4.2 Listed Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share in the capital of the Company upon exercise of the Option.

(b) **Exercise Price**

Subject to Section 4.2(i), the amount payable upon exercise of each Option will be $0.12 (**Exercise Price**).

For personal use only

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 24 July 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five business days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of any CDIs issued in respect of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.2(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors, the Company must no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors.

For personal use only

For personal use only

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Companies Law and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the term of the Options without exercising the Options.

(k) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, an Option does not confer the right to a change in Exercise Price.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX, the Companies Law or under applicable Australian securities laws.

4.3 Unlisted Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share in the capital of Company upon exercise of the Option.

(b) **Exercise Price**

Subject to Section 4.3(i), the amount payable upon exercise of each Option will be NIS$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before the date that is five years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option

being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five business days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of any CDIs issued in respect of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.2(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors, the Company must no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares or CDIs does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Companies Law and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the term of the Options without exercising the Options.

For personal use only

(k) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, an Option does not confer the right to a change in Exercise Price.

(l) **Transferability**

The Options are not transferable.

4.4 Performance Rights

(a) **Entitlement**

Each Performance Right entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.

(b) **Notice of satisfaction of Milestone**

The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.

(c) **No voting rights**

A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Right does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Right is not transferable.

(h) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Companies Law at the time of reorganisation.

(i) **Application to ASX**

The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Rights, the Company must apply for the official quotation of any CDI

For personal use only

issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(j) **Participation in new issues**

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares or CDIs such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Rights

(a) **Milestones**

A Performance Right in the relevant class will be able to be converted into a Share by a Holder subject to satisfaction of:

(i) **Class H**: the Company:

(A) executing a binding joint venture agreement with an unrelated third-party company with a synergic technology to the Company being, any technology related to climate control in agriculture including but not limited to equipment, monitoring and control (**Joint Venture Agreement**); and

(B) recording gross sales of at least AUD$100,000 pursuant to the joint venture within the first 12 months from the date of execution of the Joint Venture Agreement, as verified by the Company's auditor,

within 36 months of the date of issue of the Performance Rights.

(ii) **Class I**: the Company recording gross sales of $500,000 (excluding any sales that is utilised for the purposes of satisfying the Class H Performance Right milestone), within 18 months of the date of issue of the Performance Rights, as verified by the Company's auditor. For the avoidance of doubt, the assessment of whether the Class I Performance Right milestone has been satisfied does not exclude any revenue which is included in the satisfaction of the previously issued Class F and Class J Performance Rights; and

(iii) **Class J**: the Company recording gross sales of AUD$300,000 as a result of signing letters of intent or definitive dealership agreements with unrelated third parties in at least three new territories within 24 months of the date of issue of the Performance Rights, as verified by the Company's auditor,

(together, the **Milestones**).

For personal use only

(b) **Conversion Notice**

A Performance Right may be converted by the Holder giving written notice to the Company (**Conversion Notice**) prior to the date that is 3 years from the date of issue of the Performance Right.

(c) **Conversion Price**

The amount payable upon conversion of a Performance Right to a Share will be NIS0.02 per Share.

(d) **Lapse**

If the Milestone is not achieved by the required date, then the relevant Performance Right will automatically lapse.

(e) **Issue of Shares**

The Company will issue the Shares on conversion of a Performance Right within five business days following the conversion or such other period required by the ASX Listing Rules.

(f) **Ranking upon conversion**

The Shares into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

For personal use only

For personal use only

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.2 Company specific

(a) **Sovereign risk**

The Company is incorporated and based in Israel. Accordingly, economic and military conditions in Israel and the surrounding region, and national, company, consumer and other boycotts, may directly affect the Company's business. Major hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners, or the mandatory military service obligations of Israeli citizens (and scientific personnel) could materially and adversely affect the Company's business.

(b) **Applicability of Israel law**

Your rights and responsibilities as a Security holder will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of Australian companies. It may be difficult to enforce a judgment of an Australian court against the Company, its officers and directors in Israel or elsewhere, to assert Australian securities laws claims in Israel or to serve process on Roots' officers and directors. Provisions of Israeli law and Roots' Articles may delay, prevent or otherwise impede a merger with, or an acquisition of, Roots even when the terms of such a transaction are favourable to Roots and its Security holders.

(c) **Going concern**

The Company's audited financial report for the half year ended 30 June 2021 (as announced on 31 August 2021) and the Company's financial report for the year ended 31 December 2020 (as announced on 26 February 2021) included a statement that there was material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern. The financial statements were still prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For personal use only

The Company is in its commercialization stage and does not generate significant revenue in this stage and financed its operation up to date mainly by issuance of shares. During the six month period ended 30 June 2021 the Company had incurred negative cash from operations of US$ 1,144,000 and net losses of US$834,000. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial report noted that the Directors believed that the Company will be able to pay its debts when they fall due, and intended to fund near term anticipated activities based on proceeds from future fund raising in addition to revenues backlog.

At the time of preparation of the financial reports, the Directors were satisfied that it was appropriate to prepare the financial statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished.

The Directors continue to believe that the Company will be able to continue as a going concern on the basis that the above factors still remain true.

However, it is highly likely that further funding will be required to meet the medium term working operating costs of the Company and in the event that the Company is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

Further information in respect of additional requirements for capital are set out in the risk in Section 5.2(d).

(d) **Additional requirements for capital**

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.

Depending on the Company's ability to generate income and revenue from its operations, the Company may require further financing in the future.

At the Annual General Meeting, the Company obtained Shareholder approval to issue up to 175,000,000 CDIs to professional and sophisticated investors under a placement, together with one attaching Option for every four CDIs subscribed for and issued. The Company will be able to conduct this placement in reliance upon the Shareholder approval obtained, within three months of the date of the Annual General Meeting.

The Company is confident that it will be able to generate further funding as and when available. Additionally, the Company continuously explores merger and acquisition opportunities with a view to strengthening its existing businesses and/or divesting operations. Further, the Company continuously explores further product offerings and available market

opportunities in line with its business strategies and objectives which may enable the Company access additional funding.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Further, the Company, in the ordinary course of its operations, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

(e) **Israeli Government Grants**

Roots has received grants for certain research and development activities and may receive additional grants in the future. The terms of those grants, may trigger additional payments to the National Innovation Authority following Roots' decision to manufacture products or transfer its IP outside of Israel, and Roots may be required to pay penalties in such cases or upon sale of IP, under the R&D Law. Roots has received a total amount of US$770,256, (i.e. A$1,000,203) from the National Innovation Authority, such amount has to be repaid as 3% to 3.5% of sales of the Company.

In addition to paying any royalty due, Roots must abide by other restrictions associated with receiving such grants under the R&D Law that continue to apply following repayment to the National Innovation Authority. These restrictions may impair Roots' ability to outsource manufacturing, engage in change of control transactions or otherwise transfer Roots' know-how outside of Israel by requiring Roots to obtain the approval of the National Innovation Authority for certain actions and transactions and pay additional royalties and other amounts to the National Innovation Authority. Such amounts may be up to six times the total of the grants actually received, however this is typically reduced by several factors which may be applicable to Roots.

In the event of manufacturing outside of Israel, the maximum repayment can be equal to up to 300% of the grants actually received from the National Innovation Authority (assuming all manufacturing is outside of Israel – if only part of the manufacturing is outside of Israel then the maximum repayment amount may be lower). In addition, if Roots wants to sell its IP to a non-Israeli party the repayment can be between 3-6 times of the total grants received from the National Authority (in general, if most of the Company's employees remain employed in Israel, the maximum repayment amount may be up to 3 times of the grants received from the National Innovation Authority).

(f) **Reliance on Key Management Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel (including the Directors). There can be no assurance given that there will be no detrimental impact on

For personal use only

the Company if one or more of these employees cease their employment or if one or more of the Directors cease to be directors of the Company.

Success of the business will depend on the Directors and the officers of the Company to develop the business and manage operations, and on the ability to attract and retain key quality staff and consultants.

The management team is currently comprised of a team of personnel who the Directors consider can cover on a temporary basis for any other member of the team who may leave the Company, until such time as the Company engages a replacement. However, the loss of multiple key persons or the inability to find new key persons (or delays in finding such key persons) could have a material adverse effect on the business.

(g) **Intellectual property**

The Company's interest in its technologies is protected by a portfolio of issued and pending patents. Whilst this provides the Company with protection, there is no guarantee that other companies will not legally challenge the patents or that they might knowingly or unknowingly infringe the Company's patents.

The Company may be forced to litigate, to enforce or defend its intellectual property rights against infringement and unauthorised use by competitors, and to protect its trade secrets. In so doing, the Company's intellectual property may be put at risk of being invalidated, unenforceable, or limited or narrowed in scope. Further, an adverse result in any litigation or defence proceedings may place pending applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their intellectual property rights, this may adversely affect the Company's ability to develop and commercialise the Company's current and future products (**Products**) and prevent competitors from making, using, and selling competing products. Any such litigation could be very costly and could distract management from focusing on operating the Company's business.

The Company could also be subject to claims by employees and service providers under the Israeli Patent Law, 5727-1967 with respect to intellectual property developed by them.

(h) **Protection of proprietary technology**

The Company's success will depend, in part, on the Company's ability to obtain patents, protect trade secrets and operate without infringing on the proprietary rights of others. If the Company fails to adequately protect its intellectual property, it may face competition from companies who develop a substantially similar product to one of the Products that is not covered by any protection. Many companies have encountered significant problems in protecting and enforcing intellectual property rights in foreign jurisdictions. Proceedings to enforce the Company's patent rights in foreign jurisdictions could result in substantial cost and divert the Company's efforts and attention from other aspects of its business.

(i) **Slow Penetration Rate**

Agriculture is a segment known for slow penetration rates of new technologies. Unless the new technology is disruptive then usually in

For personal use only

nature agricultural technology's penetration rates are usually slow, in comparison to high technology or transportation technology. This slow penetration rate needs to be taken into account in the context of Roots' technology.

(j) **Competition**

There is significant competition in the agricultural technology industry generally, more so in greenhouse heating technologies and less in cooling technologies. In particular, Roots is in competition with other drip irrigation companies, particularly in relation to its "Irrigation by Condensation" product. There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products manufactured or developed by Roots, or which would render the products obsolete and/or otherwise uncompetitive.

The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.

(k) **New Technology with Limited Testing and Feedback**

A failure to successfully develop and commercialise the Company's technologies could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

(l) **Limited Commercial Sales to Date**

Roots started its activity in November 2012 and was admitted to the Official List in 2017. Since then, the Company has installed in Israel, USA, China, Spain and South Korea more than 25 installations from which paid customers are only in China, South Korea, USA and Israel. It takes at least one growing cycle to prove the efficiency of the technology. Sometimes extreme cooler summers or extreme hotter winters can diminish the system effectiveness. Due to restricted resources, Roots has concentrated on several crops such as herbs, leafy vegetables flowers, strawberries cucumbers and cannabis.

(m) **Limited Purchasing Power**

Although Roots has started penetration sales, the quantity of these sales is still small. At this stage, it is more economical to produce a part of Roots' products such as heat exchange probe (**HEP**) and ground source heat coil exchangers and controls in small amounts. Once sales increase, the Company will seek to sign a long-term manufacturing agreement with sub-contractors.

(n) **Cost of technology**

Although Roots will seeks to market its technology into high, mid and low-income countries, the costs of implementing the technologies may prove too expensive for consumers in mid and low income countries. Should this prove to be the case this could result in reduced gross margins and loss of potential market share, either of which could materially adversely

For personal use only

affect the Company's future business, operating results and financial position.

(o) **Costs and management time involved in complying with Israeli and Australian laws**

The Company needs to ensure its continuous compliance with the laws of Israel (as an Israeli company) and Australian laws and regulations including the ASX Listing Rules and certain provisions of the Corporations Act (as a result of the Company being listed on the ASX and registered as a foreign company in Australia). To the extent of any inconsistency between the laws of Israel and Australian law and regulations, the Company may need to make changes to its business operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in additional demands on management and extra costs.

(p) **Risks of international operations generally**

International sales and operations are subject to a number of risks, including:

(i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign legal systems;

(ii) increases in costs for transportation and shipping; and

(iii) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(q) **Joint venture, partnerships or other strategic alliances**

The Company may enter into strategic partnerships or alliances with third parties in order to enhance its business. Additionally, the Company continuously explores merger and acquisition opportunities with a view to strengthening its existing business and/or divesting non-core business operations. Any entry into, or commitment to, such relationship or opportunity will bring additional risks specifically contractual risks. The Company would also be likely to incur transactional costs in evaluating and negotiating such relationships which will need to be incurred regardless of whether the proposed transactions complete or bring benefit to the Company.

(r) **Potential acquisition risk**

As part of its business strategy, the Company continues to engage in the assessment and evaluation of new business and asset acquisition opportunities with a view to increasing the overall value of the Company. The Company may make acquisitions of, or significant investments in businesses and assets that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of businesses and assets, such as integrating cultures and systems of operation, relocating operations, short term strain on working capital requirements, achieving

For personal use only

the sales and margins anticipated and retaining key staff and customer and supplier relationships.

If the Company proceeds with such an acquisition, it will also be subject to risks associated with the business or asset being acquired, including, but not limited to legal risks, the risks associated that the negative aspects of the reputation of a business or asset which has been acquired will be applied to or associated with the relevant business of the Company and the regulatory risks associated with the business.

To proceed with a future acquisition, the Company may be required to raise additional funds. There is no guarantee that at that time that the Company will be able to raise those funds on terms that are favourable to the Company, if at all. Alternatively, the Company may be required to issue securities in consideration for the acquisition, which may have a dilutive effect upon existing Shareholders.

5.3 Industry specific

(a) Decreasing energy costs

Roots' technology uses the ground as one of its main resources of energy and high Coefficient of Performance (**CoP**) heat pumps. Compared with systems that use fossil resources, Roots' routine energy costs are very low. Decreased global energy costs, might lower the attractiveness of Roots' technology.

(b) Extreme weather conditions

Roots' technology uses the ground as one of its main sources of energy and temperature exchange to maintain stable water temperature year-round. Roots' technology performs better under extreme cold or hot weather in moderate climates such as Israel, Spain and Australia, China and the USA. After a year of extreme cold winter or hot summer, Roots may sell its systems at relatively higher prices. However, after a year of extreme hot winter or cooler summer, Roots may have to sell its systems at relatively lower prices due to time lapses from last extreme weather crop loss.

(c) Price sensitive market

Prices of agricultural crops are very volatile due to unexpected climatic changes, diseases and global crop availability and deficiency. This effects Roots' target customers. Approaching a farmer after a year with mid and low income from its crops, might lower the chance that they will invest in new technology.

5.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations, as well as on its ability to fund those activities.

For personal use only

For personal use only

(b) **Foreign Exchange Risk**

Foreign exchange risk arises when the Company enter into transactions denominated in a currency other than its functional currency. The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which it denominated and the respective functional currency of the company. The currencies in which some transactions are primarily denominated are US dollars and Australian dollars. The Company's policy is not to enter into any currency hedging transactions.

(c) **Liquidity Risk**

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of loss. The Company has procedures with the object of minimizing such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. The Company has no material obligation beyond one year (the liabilities for governmental institutes depends on achieving future revenues) and has a negative working capital and cash in bank to finance its working capital in the near future.

(d) **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from deposits with banks and financial institutions and other financial instruments.

(e) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

For personal use only

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(h) **Regulatory**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance, financial position and activities of the Company.

(i) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The price of the Company's CDIs and Listed Options may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

(j) **Climate change risks**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

(i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

(ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

For personal use only

For personal use only

6. ADDITIONAL INFORMATION

6.1 Company update

Following approval at the Annual General Meeting, Mr Boaz Wachtel was reinstated as Executive Chair and Chief Executive Officer of the Company with effect from 16 September 2021. Mr Adam Blumenthal has resumed his role as a Non-Executive Director.

6.2 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending against the Company. The Company is currently in discussions with a sub-contractor in relation to claims for breach of contract alleged by the sub-contractor. The Company rejects the claims. The parties have exchanged letters, each with its claims against the other, and are currently discussing ways to reach a settlement of all claims and counterclaims between them. To date, no legal proceedings have been filed in connection with this dispute.

6.3 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the annual financial report most recently lodged by the Company with the ASIC;

    (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

    (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For personal use only

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
13 October 2021	Roots launches new mid-size RZTO Offering
5 October 2021	Roots receives Notice of Allowance for US design patent
16 September 2021	Results of Meeting
31 August 2021	Half Yearly Report and Accounts
26 August 2021	Roots launches new small scale RZTO System
16 August 2021	Proxy Form - AGM
13 August 2021	Letter to Shareholders - Notice of AGM and Proxy Form
13 August 2021	Notice of Annual General Meeting/Proxy Form
30 July 2021	Quarterly Activities Report & Cashflow
23 July 2021	Change of Board roles
30 June 2021	Response to ASX 3Y Query
25 June 2021	Appendix 3Ys - Late lodgement notice
1 June 2021	Roots continues to achieve strong sales growth
26 May 2021	Reinstatement to Official Quotation
26 May 2021	Company Suspension - Reinstatement to Trading
17 May 2021	Suspension from Official Quotation
13 May 2021	Trading Halt
13 May 2021	Pause in Trading
28 April 2021	Quarterly Activities Report and Appendix 4C
23 March 2021	Roots to progress plant-based meat alternative operations
18 March 2021	New sale contract secured with Puerto Rican cannabis farm
2 March 2021	Appendix 4E Correction
26 February 2021	Appendix 4G
26 February 2021	Corporate Governance Statement
26 February 2021	Annual Report to Shareholders & Appendix 4E

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.rootssat.com/announcements.

6.4 Market price of Shares and Listed Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Listed Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	$0.0135	15 July 2021
Lowest	$0.008	4 October 2021
Last	$0.009	13 October 2021

The highest, lowest and last closing market sale prices of the Listed Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	Price	Date
Highest	$0.003	5 August 2021
Lowest	$0.001	29 September 2021
Last	$0.002	1 October 2021

6.5 Details of substantial holders

Based on publicly available information as at 14 October 2021, no persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

6.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

  (i) the formation or promotion of the Company; or

  (ii) the Offers.

For personal use only

For personal use only

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	CDIs	Listed Options[1]	Unlisted Options[2]	Performance Rights
Boaz Wachtel	5,376,777	250,000	850,510	4,500,000
Sharon Devir	2,959,564	100,000	430,490	4,500,000
Adam Blumenthal	1,271,298	3,535,650	Nil	4,200,000
Graeme Smith	Nil	Nil	Nil	Nil
Dafna Shalev-Flamm	Nil	Nil	Nil	Nil
James Ellingford	Nil	Nil	Nil	Nil
Peter Hatfull	Nil	Nil	Nil	Nil

Notes:

1. Listed Options exercisable at $0.12 each on or before 24 July 2022.
2. Unlisted Options exercisable at $0.01 each on or before 30 November 2022.

Remuneration

In accordance with the requirements of the Companies Law, the Company has established a separate remuneration committee, which includes all outside Directors serving on the Board. The outside Directors must also comprise a majority of the Remuneration Committee, and an outside Director must serve as the chair. The Remuneration Committee currently consists of Dafna Shalev-Flamm, Graeme Smith and James Ellingford.

In addition to the requirements under the Companies Law, the Remuneration Committee is governed by the Remuneration Committee Charter established by the Board, which is subject to review by the Board at any time. The Remuneration Committee is charged with the responsibility of, amongst other things:

(a) reviewing and approving the executive remuneration policy, in accordance with the Companies Law, to enable the Company to attract and retain executives and Directors who will create value for Shareholders;

(b) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;

(c) recommending to the Board the remuneration of executive Directors in accordance with the remuneration policy;

(d) fairly and responsibly rewarding executives having regard to them performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;

(e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;

(f) reviewing and approving the remuneration of Director reports to the Chief Executive Officer, and as appropriate the remuneration of other senior executives; and

(g) reviewing and approving any equity-based plans and other incentive plans.

The Remuneration Committee must also recommend to the Board a policy regarding the terms of engagement of Directors and of specified members of senior management, which is referred to as a "remuneration policy". That remuneration policy must be adopted by the Board, after considering the recommendations of the remuneration committee, and will need to be brought for approval by Shareholders.

Compensation of an outside Director is determined prior to his or her appointment.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration year ended 31 December 2020	Proposed remuneration year ending 31 December 2021	Proposed remuneration year ending 31 December 2022
Boaz Wachtel	$60,000	$150,000	$150,000
Sharon Devir	$156,000	$156,000	$156,000
Adam Blumenthal	$42,000	$42,000	$42,000
Graeme Smith	$28,800	$28,800	$28,800
Dafna Shalev-Flamm	$36,062	$36,062	$36,062
James Ellingford[2]	$32,308	$42,000	$42,000
Peter Hatfull[3]	$15,000	$36,000	$36,000

Notes:

1. The figures set out in the table above do not include superannuation.
2. James Ellingford was appointed on 24 February 2020.
3. Peter Hatfull was appointed on 23 July 2020.
4. The remuneration stated for Boaz Wachtel in the table above is based on his annual remuneration. The Company obtained Shareholder approval at the Annual General Meeting to increase Mr Wachtel's gross monthly salary as CEO to $9,000 per month effective as of 13 January 2020. Mr Wachtel also receives directors' fees of $3,500 per month.

6.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

For personal use only

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

Gross & Co (**GrossCo. Law**) has acted as Israeli solicitors to the Company in relation to the Offers. The Company estimates it will pay GrossCo. Law a fee of approximately $2,500 for these services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $10,000 (excluding GST and disbursements) for these services.

6.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

GrossCo. Law has given its written consent to being named as the Israeli solicitors to the Offers in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Offers in this Prospectus.

For personal use only

For personal use only

6.9 Estimated expenses of Offers

The total expenses of the Offers are estimated to be approximately $28,206 as follows:

	($)
ASIC fees	3,206
ASX fees	2,500
Legal fees	12,500
Miscellaneous, printing and other expenses	10,000
Total	**28,206**

6.10 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Boaz Wachtel
CEO and Executive Chairman
For and on behalf of
ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES LTD

For personal use only

7. GLOSSARY

$ means Australian dollars.

Application Form means an application form either attached to or accompanying this Prospectus.

Articles means the articles of associations of the Company adopted on 13 August 2017.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

CDI Cleansing Offer has the meaning given on the cover page of the Prospectus.

CDI Holder means a holder of CDIs.

CDIs means CHESS Depositary Interests issued by CDN, where each CDI represents a beneficial interest in one Share.

CDN means CHESS Depositary Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depositary of the CDIs under the ASX Settlement Operating Rules.

Closing Date means the closing date for receipt of an Application Form as set out in Section 2.8 (unless extended or closed early).

Companies Law means Companies Law 5759 – 1999 (Israel).

Company or **Roots** means Roots Sustainable Agricultural Technologies Ltd (ARBN 619 754 540).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

IP means intellectual property.

Listed Option means an Option quoted on ASX exercisable at $0.12 each on or before 24 July 2022.

Listed Option Cleansing Offer has the meaning given on the cover page of the Prospectus.

National Authority means the Israel Innovation Authority (formerly named, the Office of Chief Scientist).

NIS means New Israeli Shekel

Offers means the CDI Cleansing Offer, the Listed Options Cleansing Offer, the Unlisted Options Offer and the Performance Rights Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 2.8 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a CDI, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the CDI.

Performance Rights Offer has the meaning given on the cover page of the Prospectus.

Prospectus means this prospectus.

R&D Law means the Encouragement of Research, Development and Technological Innovation Law, 5744-1984 (Israel) and the Regulations for the Encouragement of Research and Development in Industry (Rate of Royalties and Rules for their Application), 5756-1996.

Security means a Share, CDI, Option or Performance Right (as applicable).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share or a CDI.

Unlisted Option means an Option that is not quoted on ASX.

Unlisted Options Offer has the meaning given on the cover page of the Prospectus.

US$ means the lawful currency of the United States of America.

WST means western standard time as observed in Perth, Western Australia.

For personal use only