

13 December 2021

Roots secures firm commitments to raise \$1m

Highlights:

- Commitments of \$1m secured through a placement of 160,256,410 CDIs to professional and sophisticated investors
- Placement price of \$0.00624 represents a 20% discount to the 5-day VWAP
- Funds to be utilised to progress deployments of Root Zone Temperature Optimisation (RZTO) systems, business development and further international expansion

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or the Company) is pleased to advise it has secured firm commitments from to raise \$1m (before expenses), by way of a placement of 160,256,410 CDIs to sophisticated and professional investors (**Placement**).

The Placement CDIs will be issued at \$0.00624 per CDI, representing a 20% discount to the 5-day volume weighted average price (**VWAP**) of \$0.0078 prior to signing of the prospectus pursuant to which the CDIs will be offered. The new CDIs will rank equally with existing CDIs on issue. Investors will also receive one attaching option for every four Placement CDIs subscribed for and issued. The options will have a strike price of \$0.02 and an expiry date of 30 September 2023 (**Placement Options**). Subject to receipt of shareholder approval, investors will also receive three attaching options for every four placement CDIs subscribed for and issued, with a strike price of \$0.0125 and an expiry date of 12 months from the date of issue.

At the Company's Annual General Meeting held on 16 September 2021, the Company received shareholder approval to issue up to 175,000,000 CDIs and 43,750,000 Options (with an exercise price of \$0.02 and an expiry date of 30 September 2023) in a future placement. The Company will utilise this shareholder approval as part of the Placement. In addition, the 1:3 free attaching placement options (with a strike price of \$0.0125 and an expiry date of 12 months from the date of issue) will be subject to shareholder approval, being a total of 120,192,308 Options.

Funds from the Placement will be used to further the commercialisation of the Company's innovative Root Zone Temperature Optimisation (**RZTO**) technology, including new small-scale and mid-size offerings. Roots has witnessed significant interest in its solutions recently and the funds raised will assist the Company in broadening its growing international footprint, progress system installation and undertake additional marketing and business development initiatives to drive sales growth.

Management commentary:

Roots CEO, Boaz Wachtel said: "We are very pleased to have secured such strong interest in the placement from a range of new and existing shareholders. The funds raised will provide the Company with the necessary



financial flexibility to progress a number of initiatives, expected to broaden our global footprint and increase sales.

“As we continue to witness an increased push towards net zero, there has been increased interest in our solutions. With this new funding, we are very well placed to capitalise and deliver value for shareholders.”

EverBlu Capital Pty Ltd (**Everblu Capital**) has acted as lead manager to the Placement and will receive a 6% cash fee for the total funds raised. In addition, and subject to receipt of shareholder approval, Everblu Capital will receive up to one option for every one share issued under the Placement (being up to a total of 160,256,410 options (**Broker Options**)). The Broker Options will be issued on the same terms and conditions as the free attaching options issued under the Placement, with one-quarter of the Broker Options exercisable at \$0.02 on or before 30 September 2023 and three quarters of the Broker Options exercisable at \$0.0125 on or before 12 months from date of issue.

-ENDS-

About Roots Sustainable Agricultural Technologies Ltd:

Israeli-based, Roots Sustainable Agricultural Technologies Ltd. is developing and commercialising disruptive, modular, cutting-edge technologies to address critical problems faced by agriculture today, including management of plant's root zone temperatures and the shortage of water for irrigation.

Roots has developed proprietary know-how and patents to optimise performance, lower installation costs, and reduce energy consumption to bring maximum benefit to farmers through their two-in-one root zone heating and cooling technology and off the grid irrigation by condensation technology.

Roots is a graduate company of the Office of the Israeli Chief Scientist Technological Incubator program.

More information www.Rootssat.com

About Root Zone Temperature Optimization (RZTO)

Root Zone Temperature Optimization (RZTO) optimises plant physiology for increased growth, productivity and quality by stabilising the plant's root zone temperature. Using Ground source heat exchange (GSHE) installations either alone, or in combination with heat pumps, or with heat pumps alone, ROOTS is able to provide accurate range of root zone temperatures for farmer and the plants to obtain the multiple benefits.

This significantly increases yields, increases growing cycle planting options, improves quality, mitigates extreme heat and cold stress while significantly reducing energy consumption by stabilising and optimising the ROOTS zone temperature.

Corporate Enquiries:

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Released through: Henry Jordan, Six Degrees Investor Relations, +61 (0) 431 271 538

This announcement was authorised by the Board of Directors of Roots Sustainable Agricultural Technologies Limited.

Forward looking statements

This announcement contains forward-looking statements with respect to ROOTS and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-



looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations.

The actual results and performance of ROOTS could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to ROOTS and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and ROOTS has no obligation to up-date such statements, except to the extent required by applicable laws.

For personal use only