

10 February 2022

## **Roots continues international expansion with ‘Super Mini’ RZTO sale into Asia and the completion of two new installations**

### **Highlights:**

- **Purchase agreement secured from Green Tech LLC for Root Zone Temperature Optimisation Technology (RZTO) at Azerbaijani vegetable greenhouse**
- **Initial proof of concept sale of A\$11,784 is anticipated to lead to much larger commercial sales following a successful period of up to two growth cycles**
- **First installations of ‘Super Mini’ RZTO technology completed at farms in South Africa and Spain**
- **Both installations undertaken by local agents with the remote assistance of Roots technical staff**
- **Israeli international trade and development company ScaleUp Israel engaged to drive Roots expansion efforts throughout Latin America**
- **Latin America is a major untapped market for Roots which urgently requires the deployment of sustainable agricultural technologies to improve inefficient and unsustainable agriculture**

**Roots Sustainable Agricultural Technologies Limited (ASX: ROO, “Roots” or “the Company”)** is pleased to provide an update on the global expansion initiatives for the Company’s Root Zone Temperature Optimisation technology.

### **Expansion in Asia with first sales in Azerbaijan**

Roots has secured a purchase agreement with Green Tech LLC (“**Green Tech**”) which marks the Company’s first sales into Azerbaijan, a large central Asian country with significant agricultural production primarily targeting the Russian markets. Green Tech is a fruit and vegetable producer possessing a large modern green house complex with a glass construction equipped with the latest agricultural technologies<sup>1</sup>.

The agreement will see Green Tech purchase a ‘Super Mini’ RZTO system for the sum of A\$11,784 for a proof of concept on their main crop producing areas which includes tomatoes and cucumbers. Following a successful period of one or two growth cycles, Roots anticipates the POC will lead to additional larger commercial orders.

### **Successful RZTO installations in South Africa and Spain**

Following the Company’s LOI with Cherry Irrigation SA (“**Cherry Irrigation**”) to market, sell and install the Company’s RZTO and HEP technology in Southern Africa (refer ASX announcement: 26 November 2021), Roots has successfully completed a remote installation of a ‘Super Mini’ system. The POC system was



installed at South Africa's Cheeba Africa, Cheeba Cannabis Academy under an equal split cost (\$2,500 between the Academy and ROOTS). The system is expected to demonstrate the advantages of Roots' RZTO technology at the plants site which is the heart of South Africa's medical Cannabis region.

The installation at Cheeba Cannabis Academy is the first remote installation achieved by the Company and was completed by Roots' and the Cherry Irrigations technical staff with the use of an online communication platform. As a specialist in the design and installation of various irrigation and automation systems in the Southern African agricultural sector, Cherry Irrigation was able to complete the installation in one day and has subsequently reported the system is performing well.

Roots' technical team further completed an additional system in Almeria, Spain at a commercial sweet-pepper green house. The installation was again undertaken with the assistance of Roots local agent in the region Criado y López S.L. ("**Criado Y Lopez**"). The commercial terms remain the same as the initial installation in South Africa with an equal split cost between Criado Y Lopez and ROOTS (\$3,500 each).

Criado Y Lopez are a Spanish manufacturing and distribution company specialising in agro-textiles and plastic distributors and accessories for the agricultural sector. Located in El Ejido, Almeria, the region is a well-known agricultural hotspot hosting the highest density per hectare (>35,000) of protected agriculture in the world<sup>ii</sup>. Boasting a 9,000m<sup>2</sup> facility Criado Y Lopez's products offer protection for agriculture enclosures by reducing the harmful effects of adverse climate conditions and protecting against destructive frost and viruses. Owning four subsidiaries in Mexico, Morocco, Chile and Peru, Criado Y Lopez sells their products into a network of over 20 countries.

#### **Binding agreement to accelerate Latin America expansion**

Roots has entered a binding agreement with ScaleUp Israel ("**ScaleUp**") in order to accelerate the Company's growth initiatives in the Latin America region. ScaleUp is to provide Roots with an introduction to dealers and investors in the region and will receive a monthly collaboration payment as well as an additional success fee for introduction to distributors who invests an agreed upon minimum amount. The agreement has an initial three-month term which can be extended by mutual agreement by both parties to six months.

As one of the world's largest farming powerhouses, Latin America is a significant untapped market for Roots. The region hosts some of the most dynamic farming systems worldwide having successfully fed a fast-growing population, facilitated economic development, generated substantial exports and helped drive down global hunger and poverty. However, many of the same systems are inefficient and environmentally unsustainable<sup>iii</sup>. The agreement with ScaleUp is anticipated to provide the Company with new commercial channels to deploy its proven sustainable agricultural technologies to a region that will substantially benefit from them.

#### **Management commentary:**

**Roots Executive Chairman and CEO, Boaz Wachtel said:** *"Its pleasing to see the increasing interest and uptake of our technologies as we continue to enter new international markets and expand our network of collaborators.*

*These initial POC sales are expected to lead to much larger commercial sales as they continue to provide visibility for our products and act as a reference point for growers and farmers to understand the benefits*



*of our technology. I look forward to updating shareholders as discussions with new collaborators continue and we start to see these larger orders from current partners materialise."*

**-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](http://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.

*This announcement was authorised to be given to the ASX by the Roots Executive Directors, Mr Boaz Wachtel and Mr Sharon Devir.*

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**Forward looking statements**

This announcement contains forward-looking statements with respect to ROOTS and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations.

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

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

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# ROOTS

Sustainable Agricultural  
Technologies Ltd.

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i <https://www.greentech.az/>

ii <https://criadoylopez.com/en/>

iii <https://blogs.worldbank.org/latinamerica/sustainable-future-agriculture-latin-america-and-caribbean-our-hands-lets-make-it>

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