

15 June 2022

Roots progresses international business development initiatives with RZTO sale and LOI to advance Irrigation by Condensation technology

Highlights:

- **A\$42,000 sale secured at Deer Country Farms in Israel – Peony grower situated in a mountainous area of Israel**
- **Roots’ Root Zone Temperature Optimisation technology to address and optimise the current labour-intensive growing processes at the farm**
- **Binding LOI signed with FinePro – an Engineering consulting and turnkey Gas based fabrication company to advance Roots’ Irrigation by Condensation technology worldwide**
- **Roots’ IBC technology is a proprietary, disruptive and sustainable agricultural technology which allows farmers to produce food irrigated from only the humidity in the air**
- **Increased level of uptake provides additional catalysts for business development opportunities following successful implementation across a wide variety of crops and agricultural settings**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, “Roots” or “the Company”) is pleased to advise that significant progress has been made to advance its international business development initiatives with a A\$42,000 Root Zone Temperature Optimisation (‘RZTO’) sale to a Peony flower grower ‘Deer Country Farms’ (‘DCF’) in Israel. The Company has also signed a binding letter of intent (‘LOI’) with FinePro Renewable Energy Ltd (‘FinePro’) to advance the worldwide distribution of Roots’ Irrigation by Condensation (‘IBC’) technology.

Israeli Peony flower farm RZTO sale

Roots has secured a sale of an in-soil RZTO system worth A\$42,000 to Deer Country Farms in Israel, a Peony flower grower situated in a mountainous area in Israel. A deposit of A\$25,000 will be paid to Roots immediately, with the balance of \$17,000 payable upon delivery and installation. Roots will ship all relevant system equipment within 45 days of payment of the deposit.

The growing of the flowers requires a tailor-made temperature protocol where at certain periods the soil is required to be cooled to below ten degrees Celsius. Current growing methods are labour intensive and requires moving growing pots into a freezer in order to induce dormancy and then re-plant them back in the soil or pots. Roots’ RZTO system will allow farmers to cool the soil to temperatures similar to the freezer, saving them the labour resources required to constantly move pots in and out of the freezer.



Roots is confident its innovative technology will provide DCF with a more environmentally sustainable solution, significantly lower operating costs, and accelerated and healthier plant growth. The sale to DCF in conjunction with the increasing level of uptake (refer ASX announcements: 8 & 19 April 2022) has provided the Company with opportunities to continue discussions with a number of potential collaborators. Roots anticipates that the sale with DCF will provide yet another catalyst to advance these discussions, as the effectiveness of its RZTO technology is realised across a large number of crops and agricultural settings.

Binding LOI to advance revolutionary Irrigation by Condensation technology

Roots is also pleased to announce the signing of a binding LOI with FinePro Renewable Energy Ltd, who will serve as the Company's integrator of Roots' IBC technology with its Gas or Solar operated and energy storage systems. FinePro is an international consulting, fabrication and turnkey company operating in the gas and energy sector. Established in 2001, FinePro has become a leader in the space and is the official representative in Israel of 12 international companies with dozens of years of experience in the field of gas.

Roots' IBC is a proprietary disruptive technology which helps farmers worldwide produce food irrigated from only the humidity in the air. To date, the IBC system has demonstrated its effectiveness in the production of nine different crops using the revolutionary technology. Roots and FinePro plan to offer a gas-based IBC system, a less expensive version of current iterations which rely on solar and battery-operated energy.

Under the LOI, for every sale of the IBC system made by Roots, FinePro will be entitled to 70% of the selling price with Roots receiving 30%. For sales made by FinePro, FinePro will be entitled to 75% of the selling price with Roots receiving 25%. The systems will be built at FinePro facilities and financed by FinePro. Roots will contribute the agricultural equipment as well as technical assistance required for system assembly. The agreement with FinePro is an ongoing arrangement, which may be terminated with 90 days' notice by either party.

Management commentary:

Roots Executive Chairman and CEO, Boaz Wachtel said: *"Our business development initiatives and horizon continue to gain momentum, with the sale in Israel and the signing of LOI with FinePro. As we continue to host discussions with a high number of potential collaborators, I look forward to advancing these discussions and providing shareholders with updates in due course."*

-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 plant's performance, 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, i.e. cooling or heating the root zone area as needed. Using sophisticated heat pumps, ROOTS is able to provide accurate range of root zone temperatures for farmer and the plants to obtain the multiple benefits.

Roots' systems significantly increase yields, allow for off season planting and harvesting improve quality, mitigate extreme heat and cold stress while significantly save energy consumption compared with the use of common air temperature equipment.

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.