

1 September 2022

Attn: Manager of ASX Announcements
Australian Securities Exchange
Level 40 Central Park
152-158 St George's Terrace
Perth WA 6000

Roots enters into short term loan agreements

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, **Roots** or **Company**) advises that it has entered into two short-term loan agreements for an aggregate amount of A\$225,000 (**Loan Agreements**) with Glacierglow Pty Ltd (**Glacierglow**) and RAH (STC) Pty Ltd (**RAH**) (together, **the Lenders**). The Lenders are unrelated parties of the Company, and the loans are unsecured.

A summary of the key terms and conditions of the Loan Agreements are outlined in Annexure 1.

The Company intends to negotiate additional short-term loans on the same terms and conditions as the Loan Agreements to meet the Company's working capital requirements until a capital raising has been completed. Further details will be provided in respect to any future loans if and when they are agreed.

Following the recent sale in the UAE (as announced on 16 August 2022) and other pending orders, Roots raised the short-term debt to finance the equipment for the UAE sale and other potential orders to avoid utilizing the Company's cash reserves.

In addition, the Company intends to complete a capital raising in the form of a private placement to professional and sophisticated investors in the coming months. On 31 August 2022, the Company lodged a Notice of Meeting for its Annual General Meeting (AGM) which is to be held on 4th October 2022. At the AGM, the Company will seek shareholder approval for a capital raising and if granted, will conduct the capital raising soon after the AGM.

The Company's Corporate Advisor, Everblu Capital Pty Ltd (**Everblu**) arranged the Loan Agreements and will receive a 6% commission on total loan funds in accordance with their corporate advisory mandate with the Company. The Lenders are both private entities. Following introduction by Everblu, Roots undertook due diligence on the Lenders' assets and liabilities, financial position and their controlling entities to satisfy the Company of the Lenders' financial capacity to perform their obligations under the Loan Agreements.

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.

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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. For more information visit www.Rootssat.com

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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Annexure 1 – Terms and Conditions of Loan Agreements

Interest

Interest is not compounding and is payable at a rate of 20% on the total principal loan amount for the 4 month period to the repayment date of 31 December 2022 (60% per annum)

Term

Any funds drawn down by Roots, together with any accrued interest, must be repaid by Roots to the Lenders on the earliest of:

- a) the date that is seven days following Roots completing an equity capital raising of a minimum of A\$400,000; and
- b) 31 December 2022,

(Repayment Date).

Repayment

Subject to the other terms of the Loan Agreements, any funds drawn down by Roots under the Loan Agreements, together with any accrued Interest, must be repaid by Roots to the Lender on the Repayment Date in cash.

Purpose

To be applied towards general working capital and financing the equipment for the UAE order.