

21 October 2022

Roots secures firm commitments to raise A\$650,000

Highlights:

- **Commitments of A\$650,000 secured through a placement of 216,666,667 CDIs to professional and sophisticated investors**
- **Placement price of \$0.003 represents a 25% discount to the 5-day VWAP**
- **Non-Executive director Adam Blumenthal to participate for A\$200,000 subject to shareholder approval**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or the Company) is pleased to advise it has secured firm commitments to raise A\$650,000 (before expenses), by way of a placement of 216,666,667 CDIs to sophisticated and professional investors (**Placement**).

The Placement CDIs will be issued at A\$0.003 per CDI, representing a 25% discount to the 5-day volume weighted average price (**VWAP**). The new CDIs will rank equally with existing CDIs on issue. Investors will also receive one free-attaching option for every one Placement CDI subscribed for and issued. The options will have a strike price of A\$0.005 and an expiry date of 5 years from the date of issue (**Placement Options**). Issue of the Placement Options is subject to receipt of shareholder approval. The Company intends to apply for quotation of the Placement Options subject to meeting the requirements of the ASX Listing Rules, and will prepare a Cleansing Prospectus for these in due course.

The Company will utilise the Listing Rule 7.1 shareholder approval, obtained at its Annual General Meeting held on 4 October 2022, to issue the Placement CDIs. Director Adam Blumenthal intends to participate in the Placement to an amount of A\$200,000 (66,666,667 CDIs and 66,666,667 attaching Placement Options), subject to shareholder approval. This amount is included in the total Placement amount above.

Funds from the Placement will be used towards sales and marketing activity (local and international), operating expenses including employee salaries, patent maintenance and registering new IP, experimental greenhouse maintenance and pilots, plastic mouldings in Israel, payout of existing debt of A\$365,000, and working capital.

EverBlu Capital Corporate Pty Ltd (**Everblu Capital**) has acted as lead manager to the Placement and will receive a 6% cash fee on the total funds raised. In addition, and subject to receipt of shareholder approval, the Company has agreed to issue Everblu Capital with 10 million CDIs (**Broker CDIs**) and the same number of Placement Options to be issued under the Placement being 216,666,667 options (**Broker Options**). The Broker Options will be issued with the same terms and conditions as the Placement Options.



The Company also notes that the Loan Agreements referenced in the September 2022 quarterly report lodged with ASX on 18 October 2022 become due and payable 7 days after the completion of the capital raising. The loans total A\$365,000.

-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.

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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.



ROOTS

Sustainable Agricultural
Technologies Ltd.

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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