



ASX and MEDIA RELEASE
16 December 2022

ROOTS consolidates UAE market position with follow-up \$160,000 sales order from Elite Agro

Highlights:

- **Roots confirms its second major sales order from Elite Agro, a global agricultural production company headquartered in the United Arab Emirates (UAE)**
- **Payment terms are consistent with the first purchase order, and will generate additional revenues of US\$108,000 (~\$160,000) for Roots, bringing total same-customer sales to more than \$300,000**
- **Under the terms of the contract, Elite Agro will commission an expanded rollout of Roots' HEPS (Heat Exchange Probes) cooling technology for its coffee production hub and broader agricultural operations**
- **The order validates the use of Roots' technology to improve crop output in difficult growing environments, and consolidates its position in the lucrative UAE market**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, "Roots" or "the Company") is pleased to confirm that it has received an additional purchase order for its proprietary HEPS (Heat Exchange Probes) cooling technology from Elite Agro – one of its major customers in the United Arab Emirates (UAE).

The follow-up sale marks an important validation for the effectiveness of the HEPS cooling system in difficult growing environments such as the UAE, where temperatures consistently rise above 45°C.

The second purchase order from Elite Agro will generate additional revenues for Roots of \$US108,000 (~\$160,000), bring total same-customer revenues for CY2022 to more than AUD\$300,000.

Elite Agro sale

EliteAgro is an established multi-channel agriculture business headquartered in the UAE, which serves a diversified client base across the MENA (Middle East and North Africa) region, the European Union (EU) and other markets.

Under the terms of the sales agreement, Elite Agro will take receipt of a second shipment of the HEPS technology to facilitate an expanded root-zone cooling solution for its suite of commercial agriculture operations including the Coffee House Murmum project.

Established as a major coffee production hub to service the UAE and adjacent markets, the Coffee House Murmum project comprises more than 9,000 coffee plants which need to be maintained in hot weather conditions outside of Dubai.



The HEPS technology has been shown to provide an effective cooling solution at large commercial scale for Elite Agro's operations, which has now placed a second order to facilitate expanded supply as it looks to meet ongoing demand.

Roots secured the first sale of its HEPS technology to Elite Agro in August (refer ASX Announcement 16 August 2022), which followed an extensive period of collaboration between the two companies and marked an exciting new market opportunity for Roots following the recent enactment of the Israel-UAE free trade agreement.

The HEPS technology has been uniquely designed to support the growth of coffee plants, which have a shallow root system where most roots concentrate around the drip irrigation area. The Roots system is designed to cool the root-zone area with the insertion of two HEPS per pot, maintaining an optimum temperature range under 30°C

Payment and shipment terms for Elite Agro will be unchanged from the initial order. Roots will receive an initial funds transfer amounting to 15% of the total sum. The remaining 85% will be paid as follows:

- 55% upon shipment;
- 20% upon installation; and
- 10% after one year against the final acceptance certificate

Management commentary:

Boaz Wachtel, ROOTS' CEO and Chairman said: *"We are pleased to announce the latest purchase order for Roots' patented HEPS technology by Elite Agro, which has established one of the leading commercial agricultural operations in the UAE. Along with a material contribution to group revenues, the follow-up order marks an important validation of the HEPS cooling system following its initial deployment by Elite Agro in the second half of 2022."*

"The successful rollout of HEPS for the Coffee House Murmum project resulted in tangible benefits to Elite Agro's growing operations, and this additional purchase order will allow the client to deploy HEPS more widely across their growing operations. We look forward to working with Elite Agro as they continue to build out their regional agriculture operations, and the successful rollout of HEPS provides a strong framework for additional sales opportunities across global markets which we are currently exploring."

-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. For more information visit 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.