

29 January 2018

**Roots enters China market with a significant A\$323,000/ US\$257,000 commercial sale of its root zone heating and cooling systems**

- **Initial Sales and installation agreement signed with leading international ag-tech integrator, Dagan Agricultural Automation, for an agriculture project in China.**
- **The A\$323,000/ US\$257,000 purchase order from Roots is due in three instalments - with first instalment paid.**
- **Project installation to start early March.**
- **The transaction with Dagan initiates cooperation for additional projects in the 550-million-tonne China vegetable production market and the rest of Asia**

**Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company)** is pleased to announce that the Company has signed its first commercial sale and installation agreement with Dagan Agricultural Automation (“Dagan”), one of the world’s leading global Ag-tech integrators.

The A\$323,000/ US\$257,000 purchase order from the sale is payable to Roots in three installments with the first instalment payable upfront, generating immediate revenue for Roots.

The second is due at the initiation of the installations; and the final instalment on completion of installation – expected in late April. Project construction commences within 30 days with the Roots installation team arriving in China in February to prepare and supervise installation.

It will allow Dagan to install and exclusively use Roots’ patented Root Zone Temperature Optimisation (RZTO) technology and associated products to heat and cool the roots in one of Dagan's projects in China.

Dr Sharon Devir, CEO and Co-founder said, "This initial sale to Dagan is a significant milestone for Roots as we will now have a presence in China - the world's largest agricultural market. This transaction is expected to lead to additional significant projects in China which now accounts for 53 per cent (nearly 550 million tonnes) of global vegetable production. We are also looking at similar types of projects in the Asian region.

“Dagan's order is a professional endorsement of the disruptive nature of Roots’ innovative technology and its ability to address China's environmental/social and national goals to reduce pollution during agricultural production cycles and solve ag production climate management issues. Planners for projects like this in China are looking to improve production efficiency and increase yields to optimise use of scarce arable land. Roots’ technology is playing a key role in allowing them to do that. Roots’ technology is at the forefront of planners’ minds in Chinese projects like this”.



“Dagan is a sophisticated and well established company with a global presence and extensive foot print in China with several plans for expansion in that market. We are pleased that they chose Roots’ technologies for integration in their upcoming projects in China and we look forward to exploring other project possibilities with them.”

#### **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 plant climate management 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. Leveraging the principle of Ground Source Heat Exchange (GSHE), Roots installs a closed-loop system of pipes. The lower part is installed at a depth where soil temperature is stable and not affected by weather extremes, and the upper part in the target crop’s root zone just below the soil surface. Water flowing through the lower pipes is charged by the soil’s stable temperature. The heated (or cooled) water is pumped through the pipes installed in the root zone, where the heat (or cold) is discharged.

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.

#### **About Dagan Agricultural Automation**

Dagan Agricultural Automation is one of the leading providers of innovative technology, related to most common agricultural disciplines include greenhouses, tree nurseries, net houses, tunnels, and open fields on the one hand; and animal breeding farms such as pig farms, dairies, chicken coops, and aquaculture.

During its 35 years of operation Dagan has created over 1000 hectares of greenhouses, poultry houses and aqua cultural projects all over the world.

The systems provided by Dagan Automation successfully combine technologies from various related scientific fields: Computerised systems for climate control, electrical boards and cabinets, command and control, water treatment systems, and pressurized irrigation systems, as well as nutrition and fertilisation systems.

In addition, the company engages in research and development and in providing related services such as economic feasibility analyses, engineering and planning, business plans, logistical support, documentation and training.

More information [www.dagan.co.il](http://www.dagan.co.il)

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