

27 August 2020

**Strategic ‘Buy now- Pay later’ marketing and sales agreement secured with Amir Ltd - one of Israel’s largest retail and wholesale agricultural chains**

- Agreement includes a ‘Buy Now – Pay Later’ plan for Roots Root Zone Temperature Optimisation (RZTO) technology will significantly lower cost barrier for new customers
- Payment plan is already gaining traction - first sale valued at A\$14,300 for an RZTO system sold to a Peonies grower in North Israel recently installed
- Amir will also market and initiate promotional campaigns of Roots’ RZTO technology
- Amir is a major agricultural (market capitalisation: ~A\$113m) wholesaler and retailer organisation with over 23 stores in Israel, servicing ~7,500 customers per annum
- Agreement delivers greater accessibility to RZTO technology amongst farmers across Israel
- New business pipeline continues to build – increased demand witnesses in Israel and other markets

**Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company)** is pleased to advise that it has executed a strategic agreement with major retail and marketing company Amir Marketing and Investing in Agriculture Ltd (“Amir”) to promote and sell ROO’s proprietary Root Zone Temperature Optimisation (RZTO) technology in Israel. The agreement also includes a ‘Buy Now – Pay Later’ component, which will lower the barriers of entry for farmers and expedite uptake.

Amir markets and sells a wide range of agricultural products and solutions to private farmers and agricultural businesses in Israel. They have 23 retail stores and trade centres across all major agricultural areas in the country and service approximately 7,500 customers per annum. Amir has a market capitalisation of ~A\$113m and the equivalent of A\$126.8m cash at bank.

Under the agreement, Amir will exclusively promote the Company’s RZTO technology in its 23 stores and offer the ‘Buy Now - Pay Later’ plan, which will allow consumers to spread payments up to 24 months, with flexible payment structures. The agreement will run for one year, with the option to extend if agreed upon by both parties. Roots will pay a fixed 15% commission to Amir for services rendered. Amir are not required to meet any minimum purchase requirements, but Roots remain confident that the agreement will underpin further sales of its RZTO technology.

Training and education initiatives with Amir staff are now underway and the payment plan will be launched in stores imminently. Roots is confident that the introduction of this payment plan will significantly decrease barriers of entry for consumers in Israel and expedite product uptake.





**Image one:** Roots and Amir management following the execution of the strategic agreement

Roots is witnessing increasing demand for the RZTO technology in Israel as well as in multiple international markets. The Company has established an in-country supply chain which can fulfil any orders from potential customers quickly and efficiently.

**Roots Executive Chairman and CEO, Boaz Wachtel said:** *“This strategic agreement is a significant milestone for the Company as it provides a major sales channel into the Israeli market, as well as visibility for our solutions in over 23 retail stores throughout the country at little expense. The payment agreement we have struck with Amir will make our technology much more accessible to farmers and other growers throughout Israel as the payment terms align well with farmers’ receivable terms. The agreement further validates Root’s RZTO technology after passing scrutiny by Amir experts.*

*“Roots is well positioned with a strong supply chain and has number of initiatives underway to drive sales domestically where RZTO is being well-received and accepted. As sale materialise through Amir, we will update shareholders on progress. If we can achieve success in Israel using ‘Buy Now - Pay Later’ terms, we plan to adapt this type of plan in other countries.”*

**-ENDS-**

*This announcement was authorised to be given to the ASX by the Roots Executive Directors, Mr Boaz Wachtel and Mr Sharon Devir.*

**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’s root zone temperature management and the shortage of water for irrigation.

Roots has developed proprietary know-how and patents to optimise performance and reduce energy consumption in Agriculture 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.

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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.

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#### **About Amir**

Amir Marketing and Investments is a subsidiary of Amir Supply, owned by the Farmers Association, the company was founded in 1942. The company is a leader in Israel in the fields of marketing and supplying agricultural inputs to private farmers throughout the country and also manufactures food blends in the company's plant. Amir is a dynamic company, adapting itself to the changing market conditions of the economy. The company has a franchise to bring foreign workers to agriculture and thus complements the needs of farmers to "working hands".

Marketing and distribution of inputs to agriculture:

The company supplies and distributes its products through 25 branches and cardboard construction centers spread across all the main agricultural areas in the country, from Kiryat Shmona in the north to Ein Yahav / Paran in the south of the country.

Amir markets a very wide and comprehensive range of agricultural inputs, including over 22,000 items, of pesticides, fertilizers, packaging, technical equipment, greenhouse covers, shears, tools, irrigation equipment for agriculture and gardening. The offer is marketed through the chain's branches around the country, which serve about 7,500 customers. Each of the branches is profitable and located in the heart of the various agricultural areas in Israel.

Approximately 60% of Amir's customers are private farmers, and 30% are kibbutzim, agricultural associations in the Moshavim and other organizations. Around 5% are merchants and 5% are gardening and casual customers.