

ASX and MEDIA RELEASE

24 August 2020

Roots raises A\$2.51m in private placement

- **Placement of A\$2.51m to Sophisticated and Professional Investors**
- **Placement price of A\$0.016 per share represents a 20% discount to the 5-day volume weighted average price of A\$0.02**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) has received firm commitments to raise approximately A\$2,510,000 (before expenses), by way of a placement of 156,875,000 CDIs to sophisticated and professional investors (**Placement**).

The Placement CDIs will be issued at A\$0.016 per CDI, representing a 20% discount to the 5-day volume weighted average price (**VWAP**) to 17 August 2020. The new CDIs will rank equally with that of existing CDIs on issue.

At the Company's recent Annual General Meeting (AGM) held on 23 July 2020, the Company received shareholder approval to conduct a placement to raise up to \$1.5 million with CDIs to be issued at a price not less than 75% of the 5-day VWAP (**Approval One**). In addition, shareholder approval was obtained to issue up to an additional 40,000,000 CDIs to raise additional capital at an issue price of not less than 50% of the 5-day VWAP (**Approval Two**). The issue of 93,750,000 Placement CDIs will be made using Approval One, and the issue of 40,000,000 Placement CDIs will be made using Approval Two.

In addition, the Company will issue 6,979,621 CDIs under its existing placement capacity pursuant to Listing Rule 7.1, and 16,145,379 CDIs under its Listing Rule 7.1A placement capacity.

The funds raised from the Placement will be used to expand the commercialisation of **Root Zone Temperature Optimization (RZTO)** systems including installation and engineering costs, sales and marketing, business development, IP creation and maintenance, to pay out existing debt, costs of the placement and for working capital.

Funds will also be used to advance the Company's initiatives in the artificial meat market and the Company will advise on further progress accordingly.

Commenting on the Placement, Roots CEO, Mr Boaz Wachtel said, "Roots is extremely pleased to report on the successful raise of \$A2.51m with the lead managers Everblu Capital under difficult market conditions. The successful raise demonstrates investors trust in ROOTS's commercial and technological directions and its management team. Under COVID-19 market retraction, ROOTS quickly adjusted its operational expenditures, continued to register IP, enhanced local and international sales efforts and prepared its entry to the artificial meat market on top of the lucrative Cannabis market. Overall with this successful round, ROOTS is poised for significant improvement of its business results during the next two quarters and beyond".

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Everblu Capital Pty Ltd acted as lead manager for the capital raising and will receive a fee of 6% of the total funds raised and, subject to receipt of prior shareholder approval to be sought at a future general meeting - 10,000,000 CDIs.

-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 in agriculture today, including plant's climate management and the shortage of water for irrigation.

Roots has developed proprietary know-how and patents to optimise cultivation performance, lower capital costs of climate management, reduce energy consumption and bring maximum benefit to farmers through their two-in-one root zone heating and cooling technology and off 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 either sophisticated heat pumps and/or Ground Source Heat Exchange (GSHE) coils the Technology stabilizes root zone temperature year round, by either heating or cooling the roots as needed. Heated (or cooled) water is pumped in a closed cycle through the pipes installed in the root zone, where the heat (or cold) is discharged.

This significantly increases yields and provides flexibility of growing cycle planting options, improves quality, mitigates extreme heat and cold stress on plants, reduces disease load, all these benefits achieved with a fraction of energy compared with air climate control currently available in the market.

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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