

ASX and MEDIA RELEASE

23 October 2019

Roots secures A\$0.82 million in private placement

- **Placement of A\$0.82 million to Sophisticated and Professional Investors**
- **Placement price of A\$0.043 per share represents a 15% discount to the 30-day volume weighted average price of A\$0.051**
- **Strong endorsement of Roots opportunities to commercialise its RZTO growth, and expand its cannabis growers marketing and sales activity in the United States**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) has received firm commitments to raise A\$820,000, before expenses, by way of a placement of CDIs to sophisticated and professional investors. Issue of the CDIs will be made under the Company's available placement capacities with 10,069,767 CDIs to be issued under Listing Rule 7.1 and 9,000,000 CDIs to be issued under Listing Rule 7.1A.

The 19,069,767 CDIs will be issued at A\$0.043 per CDI, representing a 15% discount to the 30-day volume weighted average price (**VWAP**) to 18 October 2019. The new CDIs will rank equally with that of existing CDIs on issue. Subject to receipt of prior shareholder approval, to be sought at a future general meeting, one free-attaching option for every three CDIs will also be issued to investors in the placement. The options will be the same as the listed option class "ROOO" on issue, which have an exercise price of A\$0.12 and an expiry date of 25 July 2022.

The funds raised from the placement will be used to commercialise RZTO marketing and sales opportunities in various jurisdictions, expand cannabis growers marketing and sales activity in the United States, to fund the pursuit of new cannabis and hemp opportunities and to provide ongoing working capital.

Commenting on the placement, Roots CEO, Dr. Sharon Devir said, "We would like to welcome our new investors onto our register and recognise the continued support of our existing investors who participated. The placement is a strong endorsement of our substantial opportunities to commercialise our RZTO technology across multiple geographies, as we build on the momentum gained from initial sales. The funding secured in this placement will allow us to accelerate our growth in the US cannabis market, over the medium term".

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, 1,000,000 CDIs, and 1,000,000 listed options (ROOO).

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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 being 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

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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