

## ASX and MEDIA RELEASE

8 October 2019

### Roots enters Italy with a signed LOI with local ag-tech leader

- **Letter of Intent (LOI) signed with Italian agricultural company Cairo & Doutcher to explore RZTO distribution opportunities in Italy.**
- **Roots to initially install its two-in-one heating and cooling system at Cairo & Doutcher's Italian growing facilities for use on herbs and flowers.**
- **Cairo & Doutcher to pay for initial RZTO demonstration system with an option for a future distribution agreement.**

**Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company)** has signed a 12-month Letter of Intent (LOI) with leading Italian ag-tech producer and nursery Cairo & Doutcher to install a commercial demonstration utilising Roots' patented RZTO technology and explore distribution opportunities.

Under the LOI, Roots will install its hybrid ground source heat exchange system combined with a heat pump to improve crop quality and increase yields for herbs and flowers at Cairo & Doutcher's growing facilities in Southern Italy.

Cairo & Doutcher is an early adopter of agricultural technology, utilising innovative cultivation techniques to improve the quality of its pomegranate, mango, avocado, herb and flower crops. The company's commercial nursery facility also supplies its seedlings, graftings and cutting varieties to wholesale growers.

If the demonstration is successful, the two parties will look to collaborate on an exclusive multi-year distribution agreement in Italy.

Dr Sharon Devir, CEO and co-founder said, "This paid commercial demonstration with a respected market leader is an important first step towards expanding our global footprint into the Italian market. Demonstrating the effectiveness of our root zone technology in local growing conditions is an essential part of the ag-tech sales process.

"Roots' RZTO technology addresses universal crop production and climate management challenges faced by growers across the world. Italy is one of the largest agricultural producers in the European Union with the sector accounting for around two percent of Italy's GDP.

"As most of Italy's producers are family run farms of around 10 hectares, our climate management technology is perfect for enabling these growers to increase yields and crop quality, increase the number of growing cycles and improve overall profitability year-round."

"Unlike traditional air heating and cooling systems which require high energy consumption, our RZTO technology cost-effectively maintains root temperatures at optimal ranges and is ideal for helping growers manage Italy's varying climate systems."

### **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.

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