

ASX and MEDIA RELEASE

15 May 2019

Roots secures A\$1.66 million private placement financing to commercialise RZTO marketing, sales opportunities in various jurisdictions and pursue cannabis and hemp opportunities

- **Placement of A\$1.66 million to Sophisticated and Professional Investors**
- **Placement price of A\$0.070 per share represents a 20% discount to the 30-day volume weighted average price (VWAP) of A\$0.0875**
- **Subject to receipt of prior shareholder approval, Roots and Everblu Directors propose to participate in the Placement with investments totalling up to A\$600,000**
- **Strong endorsement of Roots opportunities to commercialise its RZTO growth, and pursue cannabis and hemp opportunities**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) today announced that it has received firm commitments to raise A\$1.66 million, before expenses, by way of a placement of CDIs to sophisticated and professional investors. Issue of the CDIs is subject to receipt of shareholder approval at the Company's annual general meeting to be held on Thursday, 23 May 2019.

The 23,692,857 CDIs will be issued at A\$0.070 per CDI, representing a 20% discount to the 30-day volume weighted average price (VWAP) to 10 May 2019. The new CDIs will rank equally with that of existing CDIs on issue. Subject to 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 have an exercise price of A\$0.12 and a 36-month term.

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. Subject to receipt of prior shareholder approval, directors of Roots and Everblu have also agreed to invest up to a total of \$600,000 in the placement. 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.

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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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