

ASX and MEDIA RELEASE

21 January 2019

Roots secures A\$278,000/ US\$200,000 sale from Dagan for second China project

- **Dagan Agricultural Automation has placed a second commercial sale and installation agreement for Roots' heating and cooling technology for a new agricultural project in China.**
- **The A\$278,000/ US\$200,000 purchase order from Roots is due in instalments during 2019 – with first instalment to be paid immediately.**
- **Follows successful completion of first China project in 2018 with Dagan using Roots' patented Root Zone Temperature Optimisation (RZTO) technology.**
- **Order forms part of Dagan's exclusive distribution arrangement, conditional on US\$19 million in sales over a five-year period.**

Roots Sustainable Agricultural Technologies Limited (ASX: ROO, Roots or Company) has received a second sale and installation agreement from Dagan Agricultural Automation, its exclusive distribution partner in China.

The A\$278,000/ US\$200,000 purchase order from the sale is payable to Roots in instalments during 2019, with the first instalment to be paid immediately. Installation will be overseen by Roots' technical team.

The new project in China from Dagan, one of the world's leading Ag-tech integrators, will involve the installation of Roots' proprietary RZTO heating and cooling technology in 10,000 sqm greenhouses, growing five crops including tomatoes, herbs and flowers.

The order follows the successful completion of Roots' first agricultural project in China with Dagan, where RZTO heating and cooling systems were installed in nine greenhouses. It also formed part of Dagan's distribution agreement with Roots, with exclusivity conditional on US\$19 million in sales over a five-year period.

Dr Sharon Devir, CEO and co-founder said, "This second order from Dagan further strengthens our presence in the world's largest agricultural market and aligns with our long-term targets in the region.

"We're already seeing great yield and quality increases from crops grown in the first project. This second substantial sale validates the confidence our distribution partner has in our root zone temperature optimisation technology. This is particularly important in a country which accounts for 53 per cent (nearly 550 million tons) of global vegetable production."

"We believe China's vast agricultural requirements offer significant long-term sales opportunities for Roots' RZTO technology."

For personal use only

“We continue to focus on showcasing our technological capabilities and establishing sales networks in additional territories expecting that our sales activity with Dagan will increase dramatically in the coming years.”

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

About Dagan Agricultural Automation

Dagan Agricultural Automation is one of the leading providers of innovative technology, related to most common agricultural disciplines include greenhouses, tree nurseries, net houses, tunnels, and open fields on the one hand; and animal breeding farms such as pig farms, dairies, chicken coops, and aquaculture.

The systems provided by Dagan Automation successfully combine technologies from various related scientific fields: Computerised systems for climate control, electrical boards and cabinets, command and control, water treatment systems, and pressurized irrigation systems, as well as nutrition and fertilisation systems.

In addition, the company engages in research and development and in providing related services such as economic feasibility analyses, engineering and planning, business plans, logistical support, documentation and training.

More information <http://www.dagan.co.il>

About Root Zone Temperature Optimization (RZTO):

Root Zone Temperature Optimization (RZTO) optimises plant physiology for increased growth, health, productivity and quality by stabilising the plant's root zone temperatures. Leveraging the principle of Ground Source Heat Exchange (GSHE) with or without heat pumps, Roots installs a closed-loop system of underground coils for heat charging and heat discharging in pipes at the root zone area. The lower part of the embedded coils is installed at a depth where soil temperature is stable year-round (and not affected by weather extremes), and the upper part in the target crop's root zone area just below the soil surface. The stable water temperatures emerging from the lower coils is discharged at the near the roots and heats (or cools) the crop roots, depending on the season.

By stabilising and optimising the root zone temperature with very little energy use, the technology significantly increases yields, improves quality, mitigates extreme heat and cold stress and allows for off-season planting and growing.

-ENDS-

For personal use only



ROOTS

Sustainable Agricultural
Technologies Ltd.

Investor Enquiries:

Justin Foord

Market Eye

E: Justin.foord@marketeye.com.au

P: +61 2 8097 1200

Corporate Enquiries:

EverBlu Capital

E: info@everblucapital.com

P: +61 2 8249 0000

Media Enquiries:

Tristan Everett

Market Eye

E: tristan.everett@marketeye.com.au

P: +61 403 789 096

For personal use only