

## ASX and MEDIA RELEASE

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### Roots secures third Dagan sale for new greenhouse project in China

- **Dagan Agricultural Automation has signed a third installation agreement for Roots' patented Root Zone Temperature Optimisation (RZTO) technology in China.**
- **The A\$64,400 sale is for a state-of-the-art greenhouse pilot in the Guiyang district of Guizhou, which is expected to lead to a larger installation project in the near future.**
- **70 percent of the sale is payable upon shipment of equipment, with Roots to receive the remainder on project completion in Q2 2019.**
- **Follows A\$278,000 purchase order in January and the successful completion of Dagan's first A\$323,000 project with Roots in China in 2018.**
- **The sale 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 executed a third sale and installation agreement with Dagan Agricultural Automation, its exclusive distribution partner in China, for a state-of-the-art greenhouse project.

The A\$64,400 sale involves the installation of Roots' proprietary Root Zone Temperature Optimisation (RZTO) technology in two-thirds of a one-hectare greenhouse in the Guiyang district of Guizhou. Roots' heating and cooling systems will be used to stabilise the root temperature of various vegetable crops within the greenhouse, including tomatoes and lettuce.

The remaining third of the greenhouse will be used as a control measure, allowing the farmer to directly compare RZTO crop yield, quality and performance to un-treated control-group crops.

Under the agreement, Roots will receive 70 percent of the sale payment upon shipment of equipment with the remainder payable upon installation completion. Installation will be overseen by Roots' technical team and is expected to be completed in May 2019.

This installation represents Roots' third agricultural sale to Dagan and follows substantial orders of A\$323,000 and A\$278,000 respectively. It also forms 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, "Roots continues to build momentum in the world's largest agricultural market, securing our second RZTO installation order from Dagan this quarter. It highlights the strength of our partnership with one of the world's leading ag-tech integrators, as well as the significant opportunity for our heating and cooling technology in a market that produces more than 50 percent of global vegetable production."

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“This state-of-the-art pilot will further support Roots’ China operations, enabling us to demonstrate the benefits of our root zone heating and cooling technology in a sizable greenhouse alongside control crops. A successful pilot is expected to lead to a larger installation phase for this particular project and further sales activity in the future.”

“Our patented root zone technology has already been successful in increasing crop yield and quality on numerous crops under varying conditions, while also considerably reducing heating and cooling costs for growers.”

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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 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 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.

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