



ASX and MEDIA RELEASE

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## ROOTS Enters Canadian Ag-Tech Market with Water Ways Technologies Inc. Distribution Agreement

- Agreement secured with Israeli irrigation and agriculture technology company Water Ways Technologies Inc. (TSX-V: WWT or "Water Ways") for distribution of ROOTS' patented Root Zone Temperature Optimization (RZTO) technology in Canada.
- Significant market opportunity – Canada is actively promoting new agricultural innovations through the C\$3 billion 'Canadian Agricultural Partnerships' innovation program.
- Combined ROOTS/WWT offering delivers a more comprehensive and technology-led irrigation solution to primary producers in Canada – major focus on opportunities in Canada's Cannabis market.

ROOTS Sustainable Agricultural Technologies Limited (ASX: ROO, ROOTS, or Company) is pleased to report its entry into the Canadian agricultural market with the signing of a non-binding exclusive agreement with **Water Ways Technologies Inc.**, a leading Israeli based agriculture technology company that specialises in providing water irrigation equipment solutions to farmers around the world.

Under the terms of the agreement, Water Ways will have the right to import and sell ROOTS' patented Root Zone Temperature Optimization (RZTO) technology in Canada and capitalise on Water Ways Technologies' established market presence where it has well-entrenched commercial relationships. No fees are payable by either party and Roots' income will come from sales of the systems by Water Ways.

The agreement is for an initial period of nine months. The terms of the initial period are outlined below:

- within six months the Distributor shall identify at least three customers that are interested in purchasing the product at cost;
- during the initial term, the Distributor will sell no less than three systems to three different customers;
- after nine months, the Parties will mutually evaluate extending the agreement.

Established in Israel in 2004, Water Ways Technologies is an irrigation and agriculture technology company and a global provider of smart irrigation and water systems solutions for agricultural producers. Its proprietary Precise Irrigation System has been deployed in over 15 countries by fresh produce cooling rooms, vineyards, water reservoirs, fish farms and sorghum silos.

ROOTS and Water Ways have been assessing collaboration opportunities for six months and have determined that the RZTO technology complements and strengthens Water Ways' smart irrigation and water system solutions offering a comprehensive solution to meet the needs of both RZTO as well as smart system of water for irrigation.



Canada has excellent potential for ROOTS as it is one of the largest agricultural producers and exporters in the world with agricultural and agri-food exports valued at ~\$85 billion by 2025 (Report of Canada's Economic Strategy Tables: Agri-food<sup>1</sup>).

With federal programs like the "Canadian Agricultural Partnership", a five-year, C\$3 billion investment program launched by the federal government, Canada is actively promoting Ag-Tech innovations.

Both companies are reviewing opportunities in Canada's cannabis market given the industry's rapid growth and investment. Competition in the sector is driving cannabis prices down, pressuring companies to find new and innovative technology solutions to reduce production and energy costs. A combination of ROOTS' RZTO and Water Ways' irrigation technology could potentially deliver Canadian growers with a major competitive advantage.

**ROOTS CEO and co-founder Dr. Sharon Devir said:** "ROOTS continues to strengthen its presence in North America and we see considerable scope for growth in Canada by partnering with Water Ways. By combining our respective technologies to deliver a better outcome for growers, we are exceptionally well-placed to capture sales more rapidly. Water Ways' well-established presence in Canada also provides us with a seamless and cost-effective market entry.

"Both companies have identified the cannabis sector as a market that presents significant commercial opportunity, and if we can deliver growers in Canada with a technology-led pricing advantage, we are confident we can build a strong presence here. We look forward to reporting on progress in Canada with Water Ways."

**Ohad Haber Water Ways CEO commented:** "We are excited to introduce to the Canadian Irrigation market ROOTS' Root Zone Temperature Optimization technology. We are convinced that the system has enormous technological advantages for the cannabis cultivation sector as well as the broader agribusiness sector. We look forward to working with the ROOTS' team to implement a initial systems in 2020."

-ENDS-

**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](http://www.Rootssat.com)

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<sup>1</sup> <https://www.ic.gc.ca/eic/site/098.nsf/eng/00022.html>

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**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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