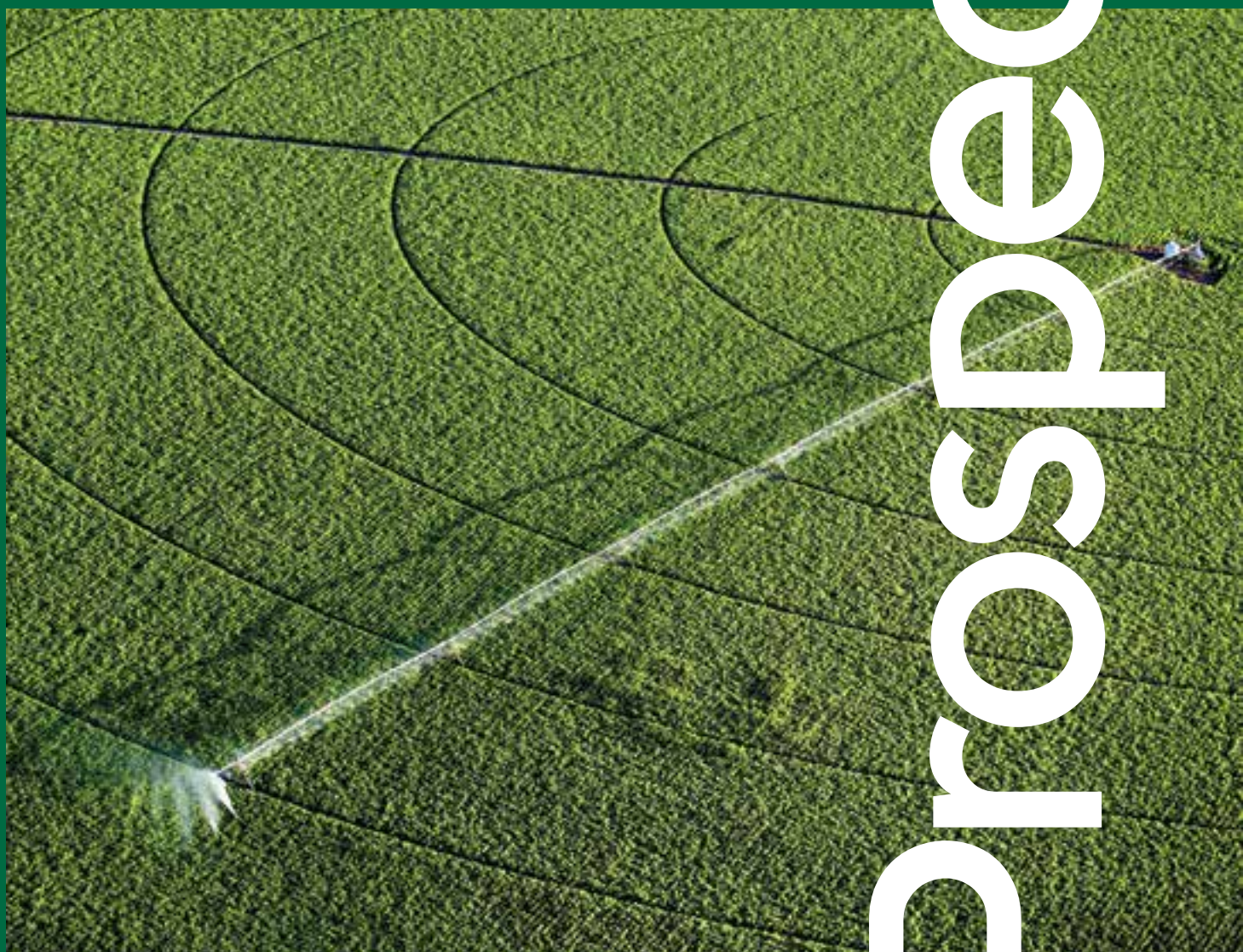




Initial Public Offering of Ordinary Shares

For an offer of up to 40,000,000 Shares at
issue price of \$0.20 per Share to raise up to
\$8,000,000 (Public Offer).



Prospectus

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

The Prospectus also contains an offer of 1 Share at an issue price of \$0.20 (Cleansing Offer) for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Cleansing Offer Closing Date.

CropLogic was founded in 2010 upon intellectual property from The New Zealand Institute for Plant and Food Research, a New Zealand Crown Research Institute.

Its target is to serve large irrigated crop growers around the world.

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Segmented market of 29 million acres

CropLogic's target audience of
irrigated farms of 1,000 acres or more

Corporate Directory

Directors

Mr John Beattie
Non-Executive Chairman

Mr James Cairns
Managing Director

Dr Stephen Hampson
Non-Executive Director

Mr Peter Roborgh
Non-Executive Director

Mr Steven Wakefield
Non-Executive Director

Company Secretary and Chief Financial Officer

Mr James Cooper-Jones

Proposed ASX Code

CLI

Share Registry

Link Market Services Limited
178 St Georges Terrace
Perth WA 6000

Australian Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

New Zealand Solicitors

Lane Neave
141 Cambridge Terrace
Christchurch 8013

Registered Office

Merritt House
Canterbury Agriculture & Science Centre
Gerald Street
Lincoln 7608 NZ

Email: info@croplogic.com
Website: www.croplogic.com

Lead Manager

Hunter Capital Advisors Pty Ltd
Suite 3, Level 10, 23-25
Hunter Street
Sydney NSW 2000

Authorised Representative (Number 1239304) of
GFIN Green Pty Ltd (ACN 134 818 170)

AFSL: 334191

Patent Attorney

Armour IP
Suite 5, 105 Broadway
Nedlands WA 6009

Investigating Accountant

RSM Corporate Australia Pty Ltd
8 St Georges Terrace
Perth WA 6000

Auditor for the Company

PricewaterhouseCoopers
PwC Centre, Level 4
60 Cashel Street,
Christchurch Central
New Zealand

Auditor for Professional Ag Services, Inc.

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Important Notice

This Prospectus is dated 13 July 2017 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered speculative.

(a) Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

(b) Governing Law

The Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act of the Commonwealth of Australia or by the ASIC but instead are regulated by New Zealand legislation including the Companies Act 1993, the Financial Markets Conduct Act 2013 and the New Zealand Financial Markets Authority and the Companies Office.

(c) New Zealand Mutual Recognition Warning Statements

Each of the Public Offer and Cleansing Offer (together, the Offers) to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct

Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

(d) Applicants outside Australia and New Zealand

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of

these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. This Prospectus has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States of America.

(e) Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.croplogic.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand (as applicable).

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Lead Manager, Hunter Capital Advisors by phone on +61 2 8042 1836 during office hours or by emailing at info@huntercap.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

(f) Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

(g) Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section C of Section 1 as well as Section 4 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

(h) Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

(i) Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

(j) Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

(k) Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Public Offer or how to accept the Public Offer please call the Lead Manager, Hunter Capital Advisors on +61 2 8042 1836.

(l) Definitions

Terms used in this Prospectus are defined in the Glossary in Section 12.

A full-length portrait of John Beattie, a middle-aged man with grey hair and glasses, wearing a dark blue suit, a light blue and white striped shirt, and a yellow and blue patterned tie. He is standing against a light-colored, vertically textured wall. His hands are clasped in front of him, and a watch is visible on his left wrist.

John Beattie
Non-Executive Chairman

Letter from the Chairman

Dear Investor,

On behalf of the Directors and existing Shareholders of CropLogic Limited (**CropLogic** or **Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

Under the Public Offer, CropLogic is seeking to raise a minimum of \$5 million and a maximum of \$8 million through the issue of Shares at an issue price of \$0.20 per Share. The purpose of the Public Offer is to provide funds to implement the Company's business strategies (set out in Section 3.9).

Since its incorporation in New Zealand, CropLogic has steadily grown into an international agronomy services company driven by leading research and technology with highly skilled and trained personnel, specialist knowledge of cropping systems, regional know-how and emerging data analytics and predictive tools platforms.

This combination of cutting edge research and technology using remote sensing with highly skilled technical, local and practical experience has already ensured a high level of success in field trials proving the value of this technology to growers and their agronomists.

It has seen the Company develop and validate technology out of the New Zealand Institute for Plant and Food Research Ltd, conduct regional field trials with global food brands throughout the world, including in Australia, New Zealand, China and the USA and move to commercialisation. The intellectual property the Company relies on is licenced exclusively to the Company and patents have been granted in the USA and New Zealand.

Funds from the capital raising will be used in part to extend CropLogic's development of its predictive tools platform to allow the Company to be at the very forefront of precision agriculture technology.

The development of agricultural technology comes at a topical time in world markets as global demand for food continues to increase just as resources such as water and land are, in many regions, becoming scarce. These productivity, energy efficiency and sustainability tensions are seeing an increasing number of growers around the world and particularly in the early adopter growing communities embracing more sophisticated and technology dependant ways to grow the food the world needs.

CropLogic's value proposition, our international networks and relationships and the above mentioned current and future tensions lend themselves to a dynamic growth strategy. Additionally, acquisition has always been core to CropLogic's growth and it is through this strategy that the Company has been able to enter the US market. CropLogic will continue to evaluate international acquisition opportunities going forward and where it is thought to add to Shareholder value and advance the Company's pre-eminence it will continue to make acquisitions.

This Prospectus provides more detail on the Company and its proposed operations and growth. I encourage you to read it thoroughly.

I look forward to you joining us as a Shareholder and sharing in what lies ahead.

Yours sincerely,



John Beattie
Non-Executive Chairman

Key Offer Information

Key Dates: Indicative Timetable¹

Lodgement of Prospectus with the ASIC	13 July 2017
Exposure Period begins	13 July 2017
Exposure Period ends	27 July 2017
Opening Date	28 July 2017
Closing Date of the Public Offer	5:00pm (AEST) 11 August 2017
Issue of Shares under the Public Offer and on conversion of Convertible Notes	25 August 2017
Closing Date of the Cleansing Offer	28 August 2017
Despatch of holding statements	29 August 2017
Expected date for quotation on ASX	31 August 2017

Notes

1. The above dates are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Dates or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.

Key Offer Details

	Minimum Subscription (\$5,000,000)	Maximum Subscription (\$8,000,000)
Current Shares on issue	51,501,096	51,501,096
Additional Shares to be issued separate to the Offers	28,018,344	28,018,344
Offer Price per Share	\$0.20	\$0.20
Shares to be issued under the Public Offer	25,000,000	40,000,000
Shares to be issued under the Cleansing Offer	1	1
Total number of Shares on issue following the Public Offer	104,519,441	119,519,441
Gross Proceeds of the Public Offer	\$5,000,000	\$8,000,000

01

Section 01. Investment overview

Item	Summary	Further Information
A. Company		
Who is the issuer of this Prospectus?	<p>CropLogic Limited (ARBN 619 330 648 and New Zealand Company Number 3184550) (Company or CropLogic).</p> <p>The Company is a New Zealand company, incorporated on 2 November 2010 and registered in Australia as a foreign company.</p>	Section 3
What is the Company's business?	<p>CropLogic provides agronomy services to large (1,000+ acre) crop growers. CropLogic currently serves customers in the Pacific Northwest of the United States of America. The Company has also developed technology that assists in the provision of agronomy services.</p> <p>By combining technology and crop science with on-the-ground agronomic expertise, CropLogic provides a technology platform that improves crop yield and directly addresses the issues growers face in an increasingly challenging global environment.</p> <p>The technology employed by the company has the potential to disrupt the existing agronomy services industry, which is largely dependent upon physical presence within fields, through the reduction of travel time, increase in value-add services for growers, and significant potential cost savings in delivering those services. This transformative effect aligns with CropLogic's market entry strategy which is based upon strategic acquisition of traditional agronomy services companies followed by organic growth of these organisations.</p>	Section 3
B. Business Model		
What is the Company's strategy?	<p>CropLogic's business strategy lends itself to a market-entry method based on the acquisition of agronomy service firms. CropLogic aims to capitalise on strategic acquisitions with organic growth by competing against firms that offer traditional agronomy services.</p> <p>Typically, agronomists working for agronomy firms that follow traditional methods spend a significant amount of time driving from field to field, gathering data. However, because CropLogic's technology reliably reduces the amount of time agronomists need to physically spend in the field, it can transform the profitability of their services and businesses.</p> <p>CropLogic will also provide a significant upside potential within an existing client base, allowing agronomists to service more acres within the existing cost base – therefore offering a two-fold approach to increasing both revenue and profitability. The value of the Company's existing relationships in the agricultural sector is also critical for long-term sales success.</p>	Section 3.9

Item	Summary	Further Information
B. Business Model (Continued)		
What is the Company's strategy? (Continued)	Further, CropLogic's integration of technological solutions and its ability to provide real-time and predictive services to growers, puts it in a competitive position that offers more than one opportunity to increase market share	Section 3.9
How will the Company make money?	<p>As set out in section 3.1, the Company currently provides agronomy services to customers in the Pacific Northwest of the USA. The Company intends to continue to provide such agronomy services to these customers and to expand its client base through its acquisition strategy. The Company generates revenue (currently and will continue to do so) through the provision of such agronomy services and in particular it follows a business-to-business per-acre per-crop recurring subscription model. CropLogic will differentiate itself from other agronomy service providers through the use of its technology.</p> <p>CropLogic initially targets high-value crops (such as potatoes) in markets of interest. These crop types support our revenue target of US\$25/acre for the full set of agronomy services, which includes soil profiling, soil moisture monitoring, irrigation scheduling, weed and pest analysis, and aerial imagery, as well as management support from the in-field agronomist themselves.</p> <p>Over the coming years, further revenue development will become possible through the progressive introduction of advanced forecasting and optimisation services. Full-service per-acre revenue of US\$35/acre is being targeted, representing a considerable uplift but reflective of the significant additional value to growers previously illustrated.</p> <p>CropLogic will build upon its existing market presence in the USA, but has medium-term plans to generate revenue from other nations that produce crops under the targeted criteria (1,000+ acre, irrigated cropping operations where the Company can identify strategic acquisitions to provide the necessary in-field presence).</p>	Section 3.9
What are the key dependencies affecting the Company?	<p>If the Public Offer is completed, the success of the Company will be subject to the following key dependencies:</p> <ul style="list-style-type: none"> (a) successfully commercialising the Company's technology platform; (b) maintaining the Company's relationship with The New Zealand Institute for Plant and Food Research Limited (PFR) and the licence agreement with PFR; 	Section 3

Item	Summary	Further Information
B. Business Model (Continued)		
What are the key dependencies affecting the Company? (Continued)	<p>(c) maintaining the Company's relationship with Callaghan Innovation in relation to the Callaghan loan, see Section 9.5;</p> <p>(d) identification of suitable acquisition opportunities to support entry into new markets;</p> <p>(e) establishing and maintaining the reputation of the existing CropLogic brand;</p> <p>(f) to the extent the future growth of the Company is dependent on external capital maintaining a good relationship with New Zealand, Australian and global capital markets; and</p> <p>(g) maintaining and or further developing relationships with major customers, suppliers and distributors.</p>	Section 3
What are the key business objectives of the Company?	<p>The proposed activities and business model of the Company on completion of the Public Offer are to:</p> <p>(a) implement its market development strategy, initially targeting the US market, followed by Australia and then emerging markets such as China, Russia, Brazil and India (refer to Section 3.21); and</p> <p>(b) conduct further research and development into hardware manufacture, software development and model development to lower capital and operation expenditure and to enhance the Company's product offering (refer to Section 3.22).</p>	Section 3
C. Key Advantages and Key Risks		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <p>(a) 30 years of research and 5 years of trials has contributed to the ongoing development and refinement of the Company's algorithms and models;</p> <p>(b) the Company is already operating within the large US market with ability to expand to other large markets;</p> <p>(c) vast global market potential, driven by increasing population, higher energy costs, climate change, increasing affluence, changing diets and food security concerns;</p> <p>(d) business model based on developing an intellectual property platform with a focus on varieties with high demand and good performance;</p> <p>(e) investment with significant potential social and environmental benefits;</p>	Section 3

Item	Summary	Further Information
C. Key Advantages and Key Risks (Continued)		
What are the key advantages of an investment in the Company? (Continued)	<p>(f) secure intellectual property protection strategy;</p> <p>(g) subject to raising the minimum subscription, the Company will have sufficient funds to implement its market development strategy; and</p> <p>(h) a highly skilled and experienced management team.</p>	Section 3
What are the key risks of an investment in the Company?	<p>Risks associated with an investment in the Company under this Prospectus are detailed in Section 4.</p> <p>Key risk factors include:</p> <p>(a) Business Failure: There is a risk of business failure, including that CropLogic will fail to attract new clients, fail to retain existing clients, or that sufficient revenue will otherwise not be achieved.</p> <p>(b) Licensing Risk: CropLogic is party to licence agreements with PFR (refer to Sections 9.6 and 9.7). There is a risk that the Company or PFR does not comply with the terms of the licence agreements and that the agreements are terminated which could have a significant negative impact on the Company and an adverse impact of the financial position of the Company.</p> <p>(c) Intellectual Property: CropLogic licenses intellectual property from PFR which has pursued intellectual property protection in the form of patents and patent applications. Despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property licensed from PFR.</p> <p>(d) Competitive Pressures: Individual products may fail to be accepted within the market. The Company could be subject to substantial competitive pressure from rival products. The entry of new players into the industry would increase competitive pressure faced by existing operators.</p> <p>(e) Foreign Exchange Risk: The operations of the Company are in New Zealand and the United States of America and the Company intends to raise capital in Australian dollars. Accordingly, a foreign exchange risk exists in relation to any significant fluctuations in currency exchange rates.</p>	Section 4

Item	Summary	Further Information
D. Directors and Key Management Personnel		
Who are the Directors?	<p>The Board consists of:</p> <ul style="list-style-type: none"> (a) John Beattie – Non-Executive Chairman; (b) James Cairns – Managing Director; (c) Stephen Hampson – Non-Executive Director; (d) Peter Roborgh – Non-Executive Director; and (e) Steven Wakefield – Non-Executive Director. <p>The profiles of each of the Directors are set out in Section 7.1.</p>	Sections 3.24 and 7.1
What are the significant interests of Directors in the Company?	Each Director's interest in the Company is set out at Section 7.2.	Section 7.2
E. Financial Information		
How has the Company been performing?	The audited historical financial information of the Company (including its subsidiaries) as at 31 March 2015, 31 March 2016 and 31 March 2017 is set out in Section 6.	Section 6
What is the financial outlook for the Company?	<p>Given the current status of the Company and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 6
F. Offers		
What is being offered under the Public Offer?	<p>The Public Offer is an offer of a minimum of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000 and a maximum of 40,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs).</p> <p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> (a) implement the business model and objectives of the Company as stated in Part B above; and (b) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules. <p>The satisfaction of Chapters 1 and 2 of the ASX Listing Rules is sought for the purpose of seeking ASX's approval for the Company's admission to the Official List of ASX.</p> <p>The Board believes that on completion of the Public Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 2

Item	Summary	Further Information
F. Offers (Continued)		
What is being offered under and what is the purpose of the Cleansing Offer?	<p>The Cleansing Offer is an offer of 1 Share at an issue price of \$0.20.</p> <p>The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Cleansing Offer Closing Date (e.g. Shares issued on conversion of the Convertible Notes).</p> <p>You should not complete a Cleansing Offer Application Form unless specifically directed to do so by the Company.</p>	Section 2.2
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 2.5
Who is the lead manager to the Public Offer?	<p>The Company has appointed Hunter Capital Advisors Pty Ltd (Lead Manager) as lead manager to the Public Offer. The Lead Manager will receive a fee of 6% (excluding GST) of the total amount raised under the Public Offer.</p> <p>Some or all of the fees payable to the Lead Manager under the mandate may be required to be passed on to other brokers or advisers who assist with the Public Offer.</p> <p>Further details of the mandate entered with the Lead Manager are set out in Section 2.6.</p>	Section 2.6
What will the Company's capital structure look like after completion of the Offers?	Refer to Section 3.27 for a pro forma capital structure following completion of the Offers.	Section 3.27
What are the terms of the Securities offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers is set out in Section 10.2.	Section 10.2
Will any securities be subject to escrow?	<p>Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Public Offer, certain securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 2.9
Will the Shares be quoted?	Application for quotation of all Shares to be issued under the Offers will be made to ASX no later than 7 days after the date of this Prospectus.	Section 2.9
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in the Key Offer Information Section of this Prospectus.	Key Offer Information Section

Item	Summary	Further Information
F. Offers (Continued)		
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 2.8
Are there any conditions to the Offers?	<p>No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Public Offer is unconditional.</p> <p>There are no conditions to the Cleansing Offer other than ASX approval for quotation of the Share.</p>	Sections 2.3 and 2.9
G. Use of funds		
How will the proceeds of the Public Offer be used?	<p>The Public Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> (a) implementing the Company's business objectives as set out in Part B of this Section 1; (b) licence payments; (c) expenses of the Public Offer; (d) administration costs; and (e) working capital, <p>further details of which are set out in Section 2.7.</p>	Section 2.7
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2.7
H. Additional information		
What are the differences between Australian and New Zealand law governing the Company?	<p>The Company is a company incorporated and registered in New Zealand. In Australia, the Company is registered with ASIC as a foreign company under Division 2 of Chapter 5B.2 of the Corporations Act. As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are generally not regulated by the Corporations Act and ASIC but instead are regulated by New Zealand legislation, including the Companies Act, the Financial Markets Conduct Act and the New Zealand Financial Markets Authority and the Companies Office.</p> <p>Set out in Section 10.3 is a table summarising key features of the laws that apply to the Company as a New Zealand company (under New Zealand law, including as modified by exemptions or waivers) compared with the laws that apply to Australian publicly listed companies generally including in relation to:</p> <ul style="list-style-type: none"> (a) what types of transactions require security holder approval; (b) whether security holders have a right to request or requisition a meeting of security holders; 	Section 10.3

Item	Summary	Further Information
H. Additional information (Continued)		
What are the differences between Australian and New Zealand law governing the Company? (Continued)	<p>(c) whether security holders have a right to appoint proxies to attend and vote at meetings on their behalf;</p> <p>(d) how changes in the rights attaching to securities are regulated;</p> <p>(e) what rights do security holders have to seek relief for oppressive conduct;</p> <p>(f) what rights do security holders have to bring or intervene in legal proceedings on behalf of the entity;</p> <p>(g) whether there is any equivalent to the "two strikes" rule in relation to remuneration reports in Part 2G.2 Division 9 of the Corporations Act;</p> <p>(h) disclosure of substantial holdings; and</p> <p>(i) how takeovers are regulated.</p> <p>The summary does not purport to be a complete review of all matters of New Zealand law applicable to companies or to highlight all provisions that may differ from the equivalent provisions in Australia.</p>	Section 10.3
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.</p> <p>However, the Company will pay a fee of 6% of the funds raised from the Public Offer to the Lead Manager.</p>	Section 2.6
What are the tax implications of investing in Securities?	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs and taxation residency of each investor.</p> <p>It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants, however, a general description of certain Australian and New Zealand tax consequences of applicants participating in the Public Offer for those investors who are tax residents of Australia or New Zealand is set out in Section 10.5.</p> <p>All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>	Sections 2.14 and 10.5

Item	Summary	Further Information
H. Additional information (Continued)		
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 8.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.croplogic.com).</p>	Section 8
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Lead Manager, Hunter Capital Advisors, on +61 2 8042 1836; or</p> <p>(c) By contacting the Share Registry on + 61 8 9211 6632.</p>	

02

Section 02. Details of the Offer

2.1 The Public Offer

Pursuant to this Prospectus, the Company invites applications for up to 40,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000 (**Maximum Subscription**) (**Public Offer**).

The Shares offered under the Public Offer will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

2.2 The Cleansing Offer

The Cleansing Offer is an offer of 1 Share at an issue price of \$0.20.

The Share offered under the Cleansing Offer will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Cleansing Offer Closing Date (e.g. Shares issued on conversion of the Convertible Notes).

Application for the Share under the Cleansing Offer must be made using the Cleansing Offer Application Form. You should not complete a Cleansing Offer Application Form unless specifically directed to do so by the Company.

Application for quotation of the Share issued under the Cleansing Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 2.9 for further details.

2.3 Minimum subscription

The minimum amount which must be raised under the Public Offer is \$5,000,000 (**Minimum Subscription**). If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.4 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.5 Underwritten

The Public Offer is not underwritten.

2.6 Lead Manager

The Company has appointed Hunter Capital Advisors (**Lead Manager**) as lead manager to the Public Offer.

The material terms of the engagement are:

- (a) **Term:** 12 months commencing on 19 April 2017 (**Term**).
- (b) **Fee:** The Company agrees to pay the Lead Manager the following fees during the Term:
 - (i) **Corporate Advisory Fee:** \$10,000 (excluding GST) per month; and
 - (ii) **Capital Raising Fee:** 6% (plus GST) of the gross proceeds raised in each capital raising, including the Public Offer (Capital Raising Fee).

The Lead Manager acknowledges it may be required to pass on some or all of its fees to other brokers that assist with the capital raisings.

(c) **Incentive Based Remuneration:** 650,010 Shares were issued by the Company to a nominee of Hunter Capital Advisors on completion of the convertible note capital raising which was undertaken prior to the Public Offer.

(d) **Expenses:** The Company agrees to reimburse the Lead Manager for all out of pocket expenses incurred in relation to the engagement subject to any expenses over \$2,000 (as a single item) require the prior approval of the Company. The Company will also be responsible for the reasonable fees and disbursements of the Lead Manager's legal advisors or other professional advisers resulting from or arising out of the engagement, the total of which shall not exceed \$30,000, unless otherwise approved by the Company in writing in advance.

(e) **Withdrawal Fee: If:**

- (i) the Company terminates the engagement for any reason other than pursuant to the negligence, recklessness, breach of the agreement, wilful misconduct or fraud of the Lead Manager; and
- (ii) during the Term or on or prior to 30 June 2018, the Company:
 - (A) undertakes any alternative form of equity or capital raising other than the pre-IPO raising or the Public Offer, other than from existing Shareholders or their related bodies corporate or affiliates; or
 - (B) licences its technology to another party and either terminates the engagement or desists from actively pursuing the Public Offer; or
 - (C) enters into an agreement with a third party pursuant to which the third party agrees to acquire 50% or more of the Company,

(each a Withdrawal Event), the Company will pay the Lead Manager a withdrawal fee calculated as follows (exclusive of GST):

- (D) if the Withdrawal Event occurs after the first meeting of the due diligence committee (Committee) but prior to the commencement of the investor roadshow, the withdrawal fee payable will be \$30,000 for each month since the first meeting of the Committee, up to a maximum of \$250,000;
- (E) if the Withdrawal Event occurs after the commencement of the investor roadshow but prior to lodgement of the Prospectus with ASIC, the fee payable will be \$500,000; and
- (F) if the Withdrawal Event occurs after lodgement of the Prospectus with ASIC, the fee payable will be equal to the full amount of the Capital Raising Fee that would have been payable by the Company had the Public Offer been completed.

No withdrawal fee will be payable if the engagement is terminated by the Lead Manager and at the time of termination, there has been no Withdrawal Event.

(f) **Termination:** Either party may terminate the engagement by providing 7 days' written notice.

2.7 Use of Funds

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

Allocation of Funds	Minimum Subscription (\$)	%	Full Subscription(\$)	%
Market Development	2,000,000	40	3,000,000	37.5
Research and Development	1,300,000	26	2,600,000	32.5
Licence Payments ¹	360,020	7.2	360,020	4.5
Expenses of the Public Offer ²	559,901	11.2	747,896	9.3
Administration	350,000	7.0	350,000	4.4
Working capital	430,079	8.6	942,084	11.8
Total	5,000,000	100	8,000,000	100

Notes

1. Refer to Sections 9.6 and 9.7 for further details. An NZD:AUD exchange rate of 1:0.94, being the 10 day average exchange rate set for the purposes of the Company's Shareholder meeting held on 21 June 2017 used to convert this amount from NZ\$ to AUD\$.

2. Refer to Section 10.10 for further details.

3. The Company has a loan from Callaghan Innovation. The total loan amount received from Callaghan Innovation is NZ\$450,000 (AUD\$423,000 at an NZD:AUD exchange rate of 1:0.94) The Company does not envisage repayment of this out of the proceeds of the Offer. For further details on the Callaghan Loan see Section 9.5.

4. An Optionholder has given the Company notice of exercise of Options but the payment is not required until 14 July 2017. These Shares will be issued following receipt of cleared funds from the Optionholder and appropriate documentation can be filed. The proceeds of these options is AUD \$268,242 and these funds will increase the amount allocated to working capital.

In the event the Company raises more than the Minimum Subscription of \$5,000,000 the additional funds raised (after deducting expenses of the Public Offer (which will vary depending on the amount raised)) will be applied firstly towards further market development and research and development on a pro-rata basis and then working capital.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from the Company's initial operations following listing on ASX. This will involve an ongoing assessment of the Company's activities.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 4.

2.8 Applications

Applications for Shares under the Public Offer must be made using the Application Form.

By completing an Application Form, each Applicant under the Public Offer will be taken to have declared that all details and statements made by it are complete and accurate and that it has personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the

Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to “**CropLogic Limited**” and crossed “**Not Negotiable**”, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEST) on the Public Offer Closing Date.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company’s decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

2.9 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.10 Issue

Subject to the Minimum Subscription to the Public Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Public Offer Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. There is no guaranteed allocation of Shares under the Public Offer. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Public Offer Closing Date.

The Company’s decision on the number of Shares to be allocated to an Applicant will be final.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to Applicants being issued Shares pursuant to the Public Offer as soon as practicable after their issue.

2.11 Applicants outside Australia and New Zealand

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

New Zealand mutual recognition warning statements

Each of the Public Offer and Cleansing Offer (together, the Offers) to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

2.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.13 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

2.14 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs and taxation residency of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants, however, a general description of certain Australian and New Zealand tax consequences of applicants participating in the Public Offer for those investors who are tax residents of Australia or New Zealand is set out in Section 10.5.

All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Public Offer.

2.15 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

03

Section 03. Company & Business Overview

3.1 Current Business

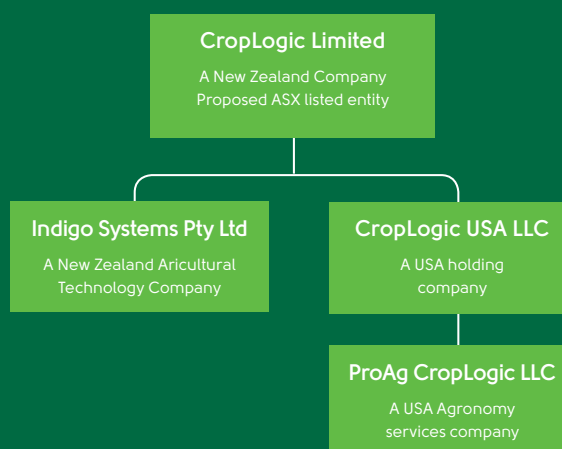
CropLogic was formed in 2010, based upon intellectual property from The New Zealand Institute for Plant and Food Research Limited (PFR) and an initial capital investment from Powerhouse Ventures Limited (PVL) and Mr Peter Roborgh. The intellectual property relates to a method of collecting, analysing, and predicting plant performance, and an applicability to cropping was targeted.

Over the space of six years, the Company has undertaken over 600 field trials in the development of its technology, working with some of the largest potato processors in markets of interest.

CropLogic acquired a 100% interest in Indigo Systems Limited in 2014. This company held intellectual property and expertise relating to in-field control systems and wireless communications, and the acquisition provided the complimentary technology to allow further development of the CropLogic platform.

In early 2017, CropLogic acquired the assets of Professional Ag Services Inc., an agronomy services company based in Washington State, USA. Professional Ag Services Inc. is a well-established company with turnover of \$2,104,711 in the year ended 31 March 2017 (refer to the Investigating Accountant's Report in Section 6). Servicing crops across the Pacific Northwest for some 27 years and with a team of approximately 15 agronomists, the acquisition of Professional Ag Services Inc. significantly added to CropLogic's presence in the USA in both local knowledge and technical expertise.

To facilitate the establishment of USA operations, CropLogic USA LLC was formed in 2017 as a holding company for USA business units acquired and is 100% owned by the Company. The assets of Professional Ag Services Inc. were subsequently transferred into another subsidiary, ProAg CropLogic LLC, which is 100% owned by CropLogic USA LLC.



Since completing the acquisition of the assets of Professional Ag Services Inc., CropLogic has continued to operate that business and service its clients (for CropLogic's post-acquisition process, refer to Section 3.15). As a result of this acquisition, CropLogic's current client base now represents approximately 60,000 acres of potato crops.

A progressive roll-out of CropLogic's technology is occurring to CropLogic's USA clients, with 79 in-field sensor platforms currently deployed and active this season, and both our agronomists and grower clients are using the CropLogic management platform. The platform currently offers monitoring of soil-moisture in near-time, irrigation scheduling recommendations and history, and aerial imagery presentation and analysis.

3.2 Our vision

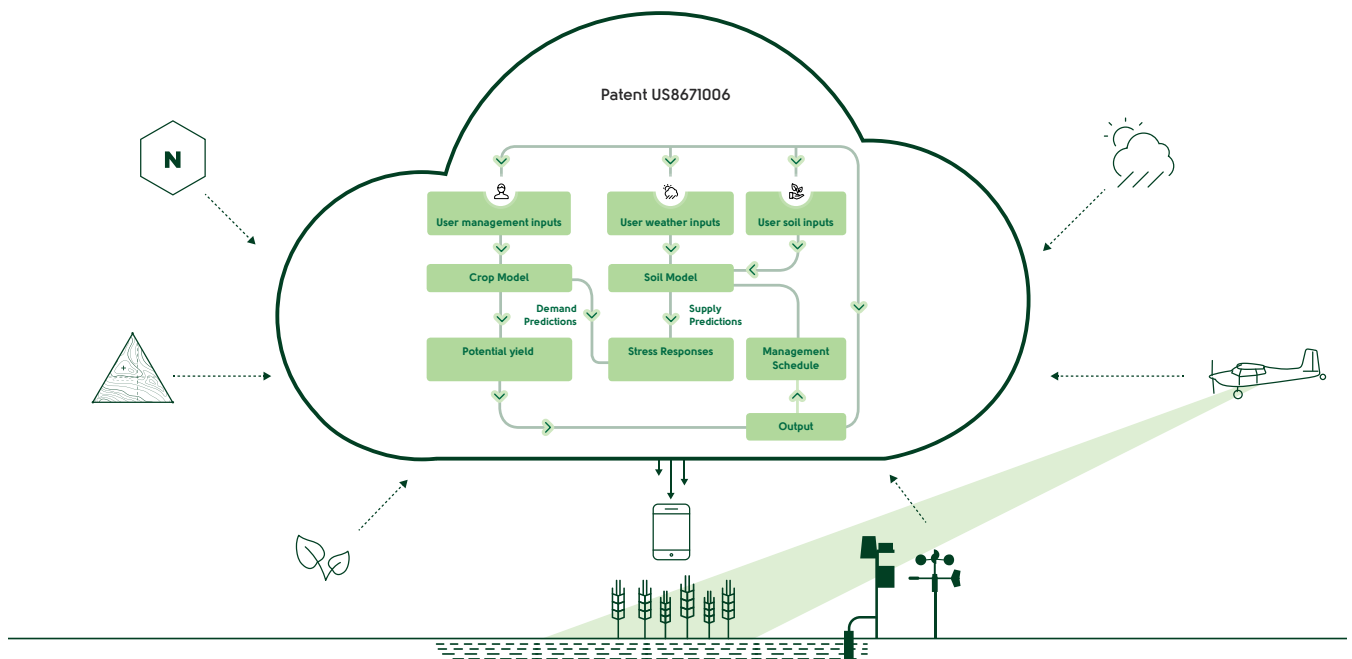
Our vision is to become the leading provider of end-to-end agronomy services for large scale crop growers around the world. By combining technology and crop science with on-the-ground agronomic expertise, we are building a technology platform that improves crop yield and directly addresses the issues growers face in an increasingly challenging global environment.

Agronomy is the science of crop production. Using knowledge, experience and field data to make crop management recommendations to growers, agronomists advise on anything from plant cultivar selection, crop rotation and soil health to irrigation scheduling, disease management and harvest date.

CropLogic's technology platform is designed to help experienced agronomists do their job more efficiently. By supporting the collection and analysis of field data, our technology

enables agronomists to identify and predict potential problems faster, so the customer – large scale growers – can receive and act on expert advice more quickly.

At the core of our approach is one simple idea: by modelling and predicting the response of commercial crops for day-to-day agronomy decisions – such as irrigation and fertiliser inputs – we can improve crop performance and yields.



How CropLogic works

CropLogic aims to improve crop yields by combining advanced research and technology with an in-field agronomy support team to provide accurate advice to growers.

With science and technology 'behind the scenes', CropLogic can provide our agronomists with high-quality field information and scientific modelling, so they can predict the behaviour of soils and crops, and promptly identify any potential issues growers might face.

By combining skilled agronomists, science and sensor technology, the CropLogic system lowers the cost of delivering agronomy services, and increases the accuracy and value of advice for growers. The result is a more profitable and more competitive service.

How CropLogic uses data

CropLogic acquires data from many sources, including in-field soil moisture and temperature information, and in-field and macro-environmental weather information. The technology analyses this data against plant and soil models to determine and predict plant requirements and health.

By using scientific modelling, and monitoring these factors in-field, CropLogic can identify problems early on – earlier than if the technology relied solely on remote sensing, imaging, or in-field soil moisture probes.

The technology also establishes a top-level field view through aerial imagery. Such imagery can be used to identify pest, weed, and irrigation problems that could otherwise be overlooked by in-field sensors.

Thanks to its comprehensive data and modelling set, CropLogic can improve crop management decisions and predict the yield outcomes of these. But at its most basic level, it reduces the burden of the 'eyes on the field' stage for agronomists, so they can use their time and expertise to focus on high-value activities such as troubleshooting specific crop-related issues, developing the relationship with the customer, or simply servicing more acres.

Our competitive advantage

We have the benefit of 30 years of publicly-funded research in scientific crop models by PFR. Not only does this represent a significant data set investment, it is also a formidable obstacle for new entrants.

We also have 13 years of practical experience in remote, low-powered telemetry solutions that allows CropLogic to achieve a cost-effective and, more importantly, reliable way of acquiring real-time field data, such as soil moisture, temperature and rainfall.

A further advantage is our agronomists, who we have carefully selected for their extensive in-field experience.

CropLogic is not a Software-as-a-Service offering. While the intention is to systematically increase the complexity and ability of the platform to identify and address crop management problems, we are aware that agriculture is an incredibly complex environment to operate in; one that is subject to many external influences. That is why we have placed high priority on working alongside agronomy field staff because they can identify problems that might arise outside of the models in the platform and take corrective actions as required.

CropLogic's most immediate key competitive technological advantage is its ability to accurately predict soil moisture, which provides two key benefits: the ability to reliably check field-based data for anomalies from the head office (which promotes rapid scaling of this stage of the operation), and the forward prediction of yield impact under various operating scenarios. With this capability, our field agronomists can provide deeper insights and better advice to our growers.

3.3 Products and technology



We are currently deploying monitoring sites to growers in the US Pacific North West region. These in-field sensor units provide accurate and continuous information about key factors in the field and send this data into the cloud via satellite communications technology. The in-field soil moisture monitoring platform is based on a highly reliable and third-party satellite telemetry system, and the overlying communication topology has been developed in-house using industry-standard security mechanisms and best-practice architecture design.

In conjunction with our modelling technology, the in-field probes enable our agronomists to make better irrigation scheduling decisions by providing near real-time, continuous and calibrated soil moisture information.

The solution provides our agronomists with key data:



Calibrated soil
moisture

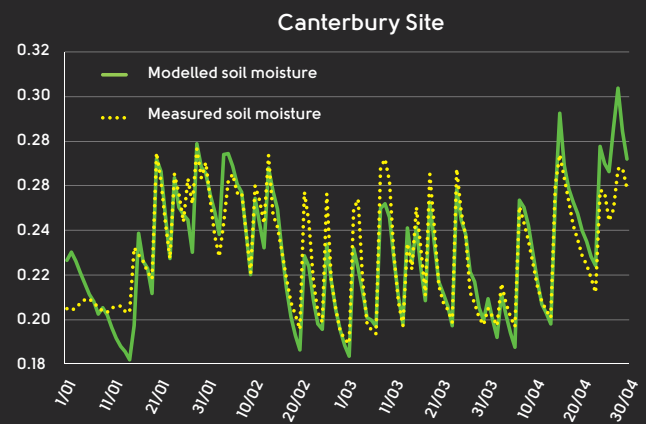


Soil temperature



Irrigation and
rainfall

CropLogic utilises model-based calibration of its own probes along with periodic validation by neutron probe to ensure accurate soil moisture information. Our soil moisture modelling provides a continuous measure of reliability for sensor data (see below).



The high correlation exhibited between the modelled and measured data indicates good model performance and, more importantly, enables the measured data to be 'self-checked' in a way other soil moisture readings are not.

More specifically, we can use the difference between measured and modelled soil moisture to generate alarms when the two diverge outside of thresholds. Together, the modelled and measured probe data from CropLogic provides agronomists with more accurate information from which to base their agronomic decisions.

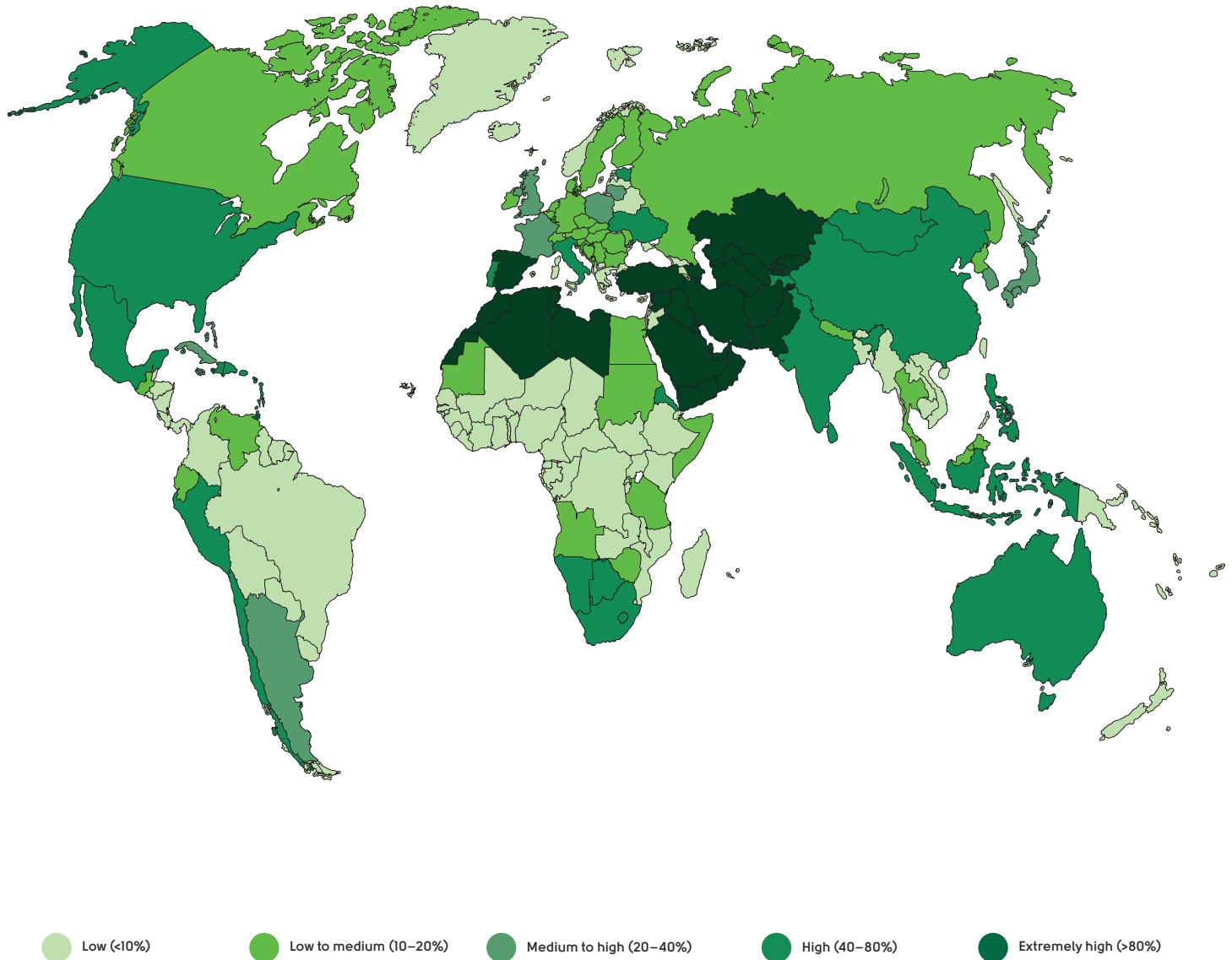
CropLogic operates light aircraft to provide regular in-field imagery. We are currently expanding this service by applying automated image processing algorithms to provide pixel-aligned, vegetative indices to our grower clients.

CropLogic aims to integrate the early detection of pest and disease in fields with predictive modelling, and deliver this consolidated view to the agronomist and grower in a single management platform.

CropLogic operates light aircraft to provide regular in-field imagery. We are currently expanding this service by applying automated image processing algorithms to provide pixel-aligned, vegetative indices to our grower clients.

CropLogic aims to integrate the early detection of pest and disease in fields with predictive modelling, and deliver this consolidated view to the agronomist and grower in a single management platform.

3.4 Market Trends



LVO, T., R.Young, P. Reig. 2015. "Aqueduct Projected Water Stress Country Rankings." Technical Note. Washington, D.C.: World Resources Institute.

The most likely pathway to addressing increasing demand for crop-based commodities will be addressed by increasing crop yields and intensity. Correspondingly, land equipped for irrigation will increase significantly. While global water supplies will generally be sufficient to meet demand, the problem will lie in distribution, giving rise to regions of increasing water stress (as shown in the map above which shows country level water stress in 2040 under business as usual scenario).

There is the potential to save water on a global scale by shifting to efficient irrigation practices. The use of sprinkler-based systems (e.g. centre pivot irrigators) has the potential to reduce non-beneficial river basin water consumption whilst still maintaining crop yields.

CropLogic is generally interested in arable crops that are centre pivot irrigated because the quantity and rate of water (and fertiliser) application is finely controlled. CropLogic's ability to accurately monitor, model and schedule irrigation depends on modern application methods to deliver the highest value.

3.5 Our target audience

We target large, irrigated growing operations that supply food processors. Our field team of agronomists take the 'technical salesforce' role, so we can maintain a high degree of expertise and credibility in a market that demands such traits.

We target large scale growers (1,000+ acre cropping operations) because they see the greatest value in efficiency and consistency, and invest in the necessary on-farm infrastructure to achieve such outcomes.

In our experience, large scale growers are also more willing to invest in products and services that enhance productivity. Plus, there are strong market growth opportunities and economic necessities for farm consolidation, which contribute to the trend we are seeing in developed countries.

Water is the most important environmental input with the potential to fundamentally alter yield trajectory. Because the CropLogic system looks to improve decisions around inputs for a better yield output, irrigated farms are specifically targeted for this reason.

Growers that supply to processing companies are more strongly driven to produce quality and consistency to match the requirements of the supply chain, and also come under more pressure to account for their growing practices. CropLogic can add considerable value at this point through its ability to directly correlate resource application with the needs of the plant and soil, as opposed to broad-brush application based upon traditional practices.

its ability to directly correlate resource application with the needs of the plant and soil, as opposed to broad-brush application based upon traditional practices.

3.6 Size of target market



United States

- ▶ Segmented market of 29 million acres of CropLogic's target audience of irrigated farms of 1,000 acres or more
- ▶ At CropLogic's target revenue of US\$35 per acre, this land could equate to a potential addressable market of over US\$1 billion per annum¹

Why USA first?

- ▶ Existing relationships and brand recognition from successful trials and acquisition activity
- ▶ Marketability, but also the ability to reference the US market to other international markets
- ▶ Large number of potential target clients with irrigated cropping farms of 1,000 acres or more



Chinese market

With the help of relevant Australian and New Zealand foreign trade organisations, we plan to target the Chinese market by building on relationships developed during trials already completed with a major multinational food processor.



60
million acres

- ▶ Outside the US, approximately 60 million acres meet CropLogic's target farm criteria (1,000+ acre, irrigated cropping operations)
- ▶ At CropLogic's target revenue of US\$35 per acre, this land area could equate to a potential addressable market of approximately USD\$2 billion per annum²



1000
acres or more

- ▶ Economies of scale
- ▶ Greater uptake of independent agronomists
- ▶ Greater infrastructure investment
- ▶ More perceptive to yield increases



**Addressable
market size likely
to grow**

With the cost efficiency and increased capability afforded through CropLogic, the market for such technology is likely to grow through the ability to service <1,000-acre farm operations.

1. Please note that this is a statement of the potential market size and should not be interpreted as or considered to be a revenue target for the Company.

2. Please note that this is a statement of the potential market size and should not be interpreted or considered to be a revenue target for the Company.

3.7 The value of CropLogic to the grower

One of the many uses of our modelling systems is yield improvement. As such, we have developed a range of optimisation algorithms which can improve the final yield of the field, on average, by better allocating the same amount of resources throughout the season.

Potato variety	Average optimal algorithm yield (t/ha)	Average baseline yield (t/ha)	Average gain
Alturas	74.6	70.4	5.99%
Ranger	68.3	62.5	9.38%
Russet Burbank	62.2	59.9	3.88%
Shepody	54.0	50.0	8.01%
Umatilla	77.6	73.1	6.18%
Weighted average			6.25%

This is a retrospective analysis done after the season was complete with all management decisions and total water usage known. The analysis used the actual yield results from specific farms and compared these with the optimal yield results calculated from management decisions generated by CropLogic technology. The optimisation algorithms used a "perfect" 24-hour weather forecast when computing the optimal amount of water to apply. Optimum water application is dependent upon the specification of irrigation infrastructure.

It should be noted that we estimated these gains in respect of some of the world's best managed and irrigated potato fields in the Pacific Northwest of the United States of America. Even so, these gains still have a potentially significant effect on the grower's bottom line, particularly when considering the fact that these gains would be delivered on a static cost base.



3.8 Market

Potato Market

We are focusing on potatoes to initially build the market opportunity. Here's why.

- ▶ Potatoes respond relatively sharply to both good and bad agronomic management decisions, which increases the importance of robust decision-making for growers and buyers.
- ▶ Potatoes are more niche than broadacre crops, such as wheat and maize.
- ▶ Potatoes are a relatively difficult crop to manage and predict. Because the crop is underground, and it is hard to ascertain yield or crop at any point prior to harvest without destroying plants, modelling is required. This, again, contributes to the relatively uncluttered competitive marketplace.
- ▶ A foothold in potatoes greatly lowers barriers to other rotation crops, especially since CropLogic is already 'on-the-farm'.
- ▶ Processed potato regions are often clustered, with large farms and processing companies in close proximity. This regional vertical integration increases the number of immediately accessible stakeholders and allows concentration of resources.
- ▶ Despite being a niche crop type, the global potato market is big enough in its own right to build a significant multi-national business.
- ▶ CropLogic has the most accumulated experience with potatoes, presenting the lowest execution risk..

Key Nations



United States

2014 potato production in the US equated to approximately 20 million metric tonnes grown on approximately 1 million acres. Across the country, in the same year, the average return from potatoes was USD3,657 per acre – CropLogic's ultimate revenue target is USD35 per acre.

Collectively, Washington and Idaho states produce about 52% of the US potato stock. Washington state has about 170,000 acres planted in potatoes and CropLogic already services approximately 25% of the state crop.

Because Washington state produces some of the highest potato yields in the world (27 tonnes per acre), we can leverage existing relationships with large processing companies in the Pacific Northwest. However, as a key part of our growth strategy, we will work to establish solid relationships with processing companies in adjacent states.



Australia

Australia produced approximately 1.2 million metric tonnes of potatoes in 2014.

Although that is not a large acreage by world standards, Tasmania has a high geographic concentration of Australia's potato crops (about 278,000 tonnes), and the global food processing company Simplot Australia is based there. Tasmania has also made significant investment in irrigation infrastructure and, together with its temperate climate, provides an important proving ground for new agronomic technology. This geographic and market compactness make it a strategically important location for CropLogic.



Brazil

Brazil is South America's second biggest potato producer with an output of about 3.6 million metric tonnes in 2014, seeing a very progressive increase in yield to about 11 tonnes per acre.

As a large and developing South American economy, Brazil has trends such as urbanisation, increased spending power and single households demanding convenience foods, making it a very attractive target market.



New Zealand

Around 446 thousand tonnes of potatoes were grown in New Zealand in 2014. Although small in global output, it is notable that New Zealand's yields are high by world standards at 20 tonnes per acre in 2014.



China

China's 2016/17 fresh potato production is forecast at 100 million metric tons; an output 5 times greater than the US, making China the largest potato producing country in the world.

What is particularly interesting is that yields-per-acre in China are about one third of that in the US, offering considerable scope to address seed production, supply chain, and management practices in the country.

About 15% of China's potato crop is processed. Although this is currently a small percentage, the large size of the national crop means that the addressable market is already similar in size to the US.

Also, in its 2016-2020 plan, the Chinese government is promoting the potato as the 'fourth staple' food, to help feed a large population and achieve national food security.

One way to enter the Chinese market is through relationships with global food processing companies that CropLogic already has established working relationships with.



Russia

Russia is the third largest producer of potatoes after China and India, with an output of approximately 31.5 million metric tonnes of potatoes in 2014. At an estimated 6 tonnes per acre, the yields are lower than China.

Historically, Russia has shown high levels of domestic potato production. However, because of trends like urbanisation and the demand for processed consumer foods, potato production is gradually shifting to larger agricultural enterprises, as is the case in many developing countries.



India

India's 2014 potato production was approximately 46 million metric tonnes, with yields typically half that of the US

While India represents a good future opportunity, 67% of farmers hold less than a hectare for growing, which does not align with CropLogic's initial target market (large scale growers with 1,000+ acres).

Other Crops

Looking forward, we aim to strategically add new crop types to our current portfolio. We will do this by complementing geographic market penetration strategies; working with regional, state or federal growth initiatives in specific countries; filling out rotation crops for high-value targets, and reacting to ad-hoc technological opportunities and availability.



As already outlined, potatoes have been the initial focus for CropLogic's development. However, potatoes are just one of the many high-value crops we can potentially target in the future, as illustrated by the following data from the Food and Agriculture Organisation of the United Nations.

	World Production Value (USD 2014)	World Production (tonnes 2014)
Rice, paddy	327,303,811,052	741,477,711
Maize	246,365,488,131	1,037,791,518
Wheat	192,651,117,966	729,012,175
Soybeans	124,022,759,783	306,519,256
Potatoes	111,061,611,284	381,682,144
Sugar cane	97,869,820,167	1,884,246,253
Tomatoes	92,490,219,269	170,750,767
Grapes	69,200,615,940	74,499,859
Apples	51,709,160,803	84,630,275
Cotton lint	41,481,926,660	26,156,675

Source: Food and Agriculture Organisation of the United Nations, 2014. FAOStat. <http://www.fao.org/faostat/en/#data/QC>. 4 July 2017.

In 2016, CropLogic secured the rights to operate the same patented method currently employed with potatoes in the corn (maize), cotton, soybean, and wheat markets in the US by signing a new licence with The New Zealand Institute for Plant and Food Research. We are also currently involved with monitoring vineyard soil moisture in both New Zealand and the US.

Ultimately, CropLogic expects to have interest in most of the major crops previously listed when the applicable regional growers meet our target audience requirements – large scale growers and/or irrigated farms.

3.9 Our business strategy

Our business strategy lends itself to a market-entry method based on the acquisition of agronomy service firms. With CropLogic's proposition offering value to both growers and agronomists, this approach will be particularly effective when entering new geographic markets.

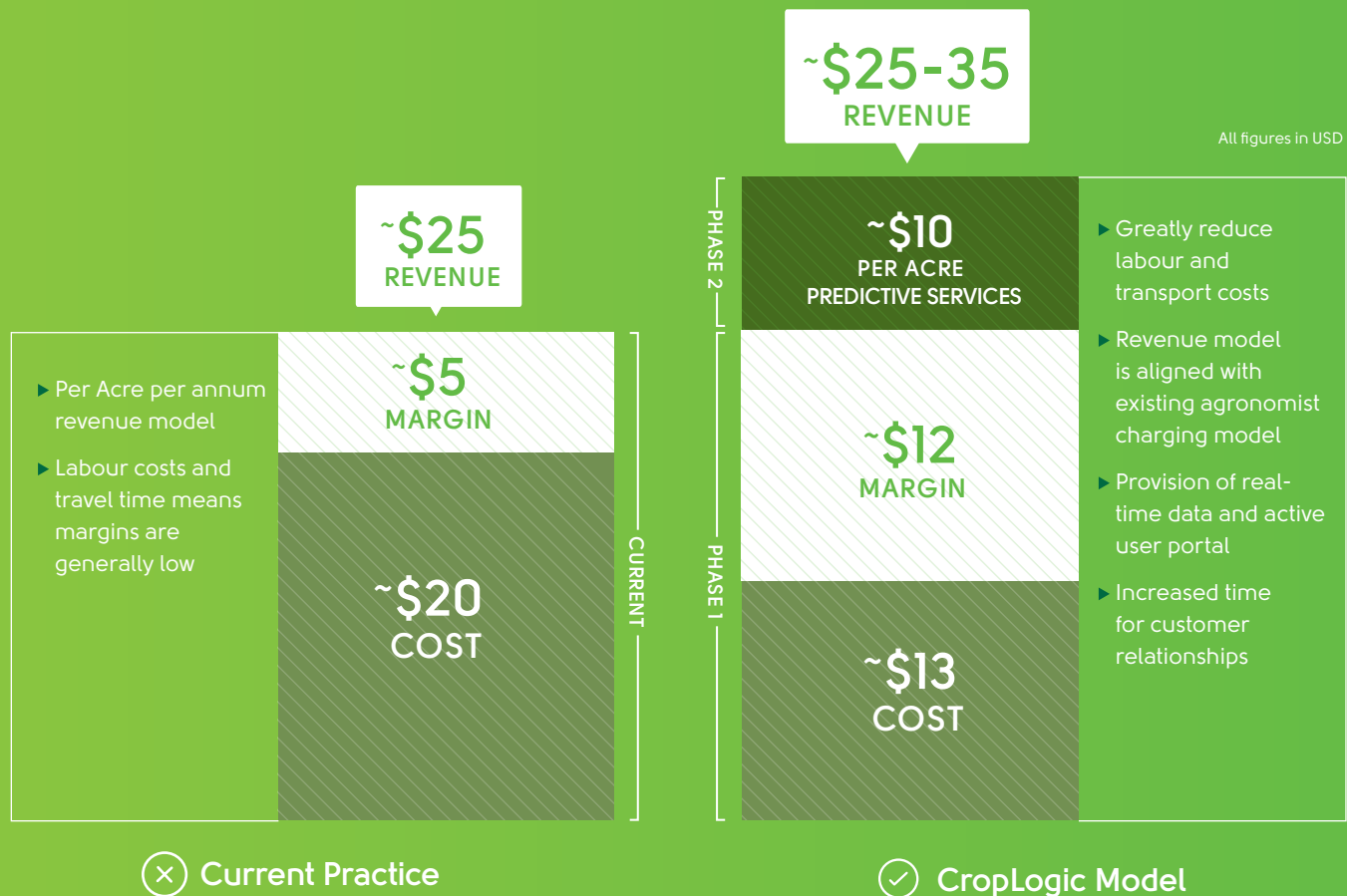
We aim to capitalise on strategic acquisitions with organic growth by competing against firms that offer traditional agronomy services.

Typically, agronomists working for agronomy firms that follow traditional methods spend a significant amount of time driving from field to field, gathering data and simply getting "eyes on the field".

However, because CropLogic reliably reduces the amount of time agronomists need to physically spend in the field, it can transform the profitability of their services and businesses. CropLogic will also provide a significant upside potential within an existing client base, allowing agronomists to service more acres within the existing cost base – therefore offering a two-fold approach to increasing both revenue and profitability.

Notwithstanding the financial benefits of acquisition, the value of our existing relationships in the agricultural sector is also critical for long-term sales success.

3.10 CropLogic revenue



To generate revenue, we will follow a business-to-business per-acre per-crop recurring subscription model; one which is commonplace in the markets of interest.

These types of recurring subscription models are attractive in removing upfront costs for growers, who have previously resisted paying such charges imposed by competitor products.

We will initially target high-value crops (such as potatoes) in markets of interest. These crop types support our revenue target of US\$25/acre for the full set of agronomy services, which includes soil profiling, soil moisture monitoring, irrigation scheduling, weed and pest analysis, and aerial imagery, as well as management support from the in-field agronomist themselves.

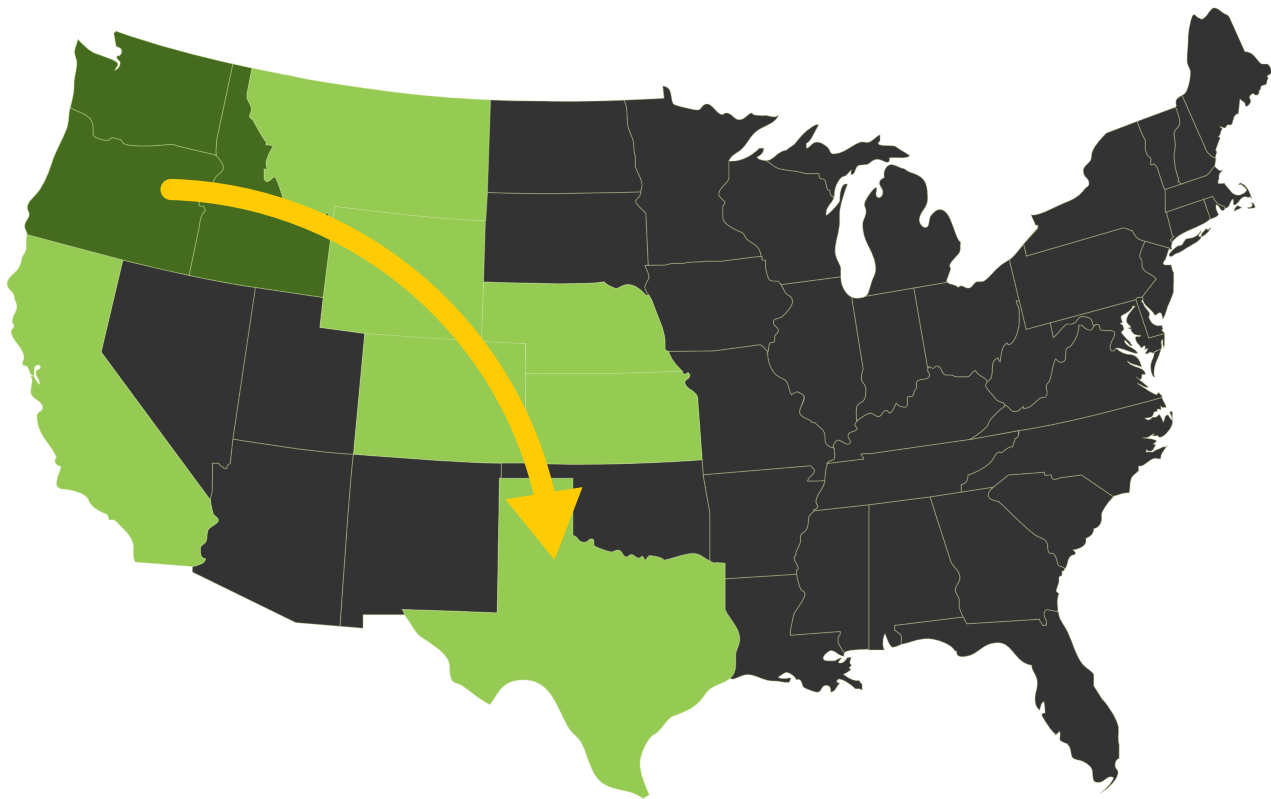
Over the coming years, further revenue development will become possible through the progressive introduction of

advanced forecasting and improvement services. Full-service per-acre revenue of US\$35/acre is being targeted, representing a considerable uplift but reflective of the significant additional value to growers previously illustrated. Planned services include:

- ▶ Nitrogen forecasting
- ▶ Yield optimisation
- ▶ Advanced imaging
- ▶ Irrigation Automation

To generate revenue, we will follow a business-to-business per-acre per-crop recurring subscription model

3.11 The importance of rotation crops



Growing the same crop in the same field for multiple consecutive seasons can deplete the soil of nutrients and cause the build-up of pathogens and pests. Crop rotation is an effective way to combat this.

In Washington State for example, potatoes are generally grown in any given field only once every four years, providing enough time between crops for diseases to die out and field nutrient imbalances to be addressed.

Compared to high-value potatoes, rotation crops – such as wheat and corn – are generally lower-value and do not support

CropLogic's initial US\$25 per-acre revenue target, much less its ultimate US\$35 per-acre objective. Nonetheless, where we already have a billing relationship with the grower, servicing the lower-value crop is a natural outcome that maximises overall annual revenue from that client.

It was with this long-term strategy in mind that CropLogic secured the ability to operate in corn (maize), cotton, soybean, and wheat in the US market. Corn and wheat in particular are common rotation crops, but cotton and soybean represent two new market opportunities for us.

Within the context of a progressive push into the US Midwest, these crop types give us an opportunity to leverage those low-margin rotation crop types in the Pacific Northwest as the basis to secure higher-value cotton and soybean.



3.12 Path to market — acquisitions

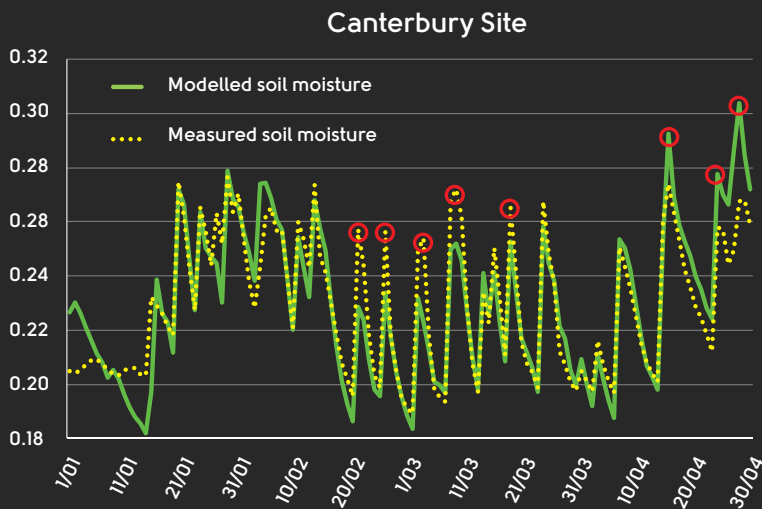
To effectively enter the market in new geographic regions, we will look to the strategic acquisitions of agronomy service companies first.

This is not a 'growth by acquisition' strategy in the medium term. It is, however, a market entry strategy we consider to be more direct and less risky, compared to establishing a new direct sales force in a foreign market. There are several factors that determine the basis for this approach:

- ▶ A newly created direct sales force is unlikely to gain significant early traction in a new market that values existing relationships and the credibility that comes with the successful demonstration of new technology.
- ▶ Agronomists hold a significant amount of knowledge related to their previous clients. Therefore, to avoid wasting valuable time, at the point of acquisition, we will adopt specific knowledge related to the clients' soil conditions, including irrigation issues, and previous chemical usage.
- ▶ There is a significant risk factor associated with the creation of a presence in a new market, simply through the uncertainties associated with the employment of new personnel. Acquisitions will allow CropLogic to adopt 'proven' teams who will leverage existing local relationships with suppliers, processors, growers and other key stakeholders.
- ▶ An opportunity exists to leverage an agronomist's expertise by reducing the amount of time the agronomist spends driving from field-to-field. By increasing how long they have in front of the client, we increase the time they have to service other clients, transforming their role into that of a technical salesforce.

This acquisition strategy does not require the customer to do anything differently than before the transaction, rather it allows the agronomist to introduce services and benefits in a staged manner.

3.13 Business model transformation



Graph showing data acquired from a potato field in South Canterbury, New Zealand. The peaks highlighted represent the occasions upon which CropLogic would have sent an agronomist to the field to address potential issues, as opposed to the weekly (or more) field visits required under more traditional agronomy service models.

CropLogic technology can transform the role of field staff from one of 'management by routine' to 'management by exception'.

Instead of the agronomist having to go into a field once (or twice) a week to obtain measurements and get their 'eyes on the field', they can use the modelling and remote sensors to gather and validate the same data. Having said that, it is critical that the agronomist can trust the data being sent from the field because, without the predictive modelling, they would have to return to the field to validate their data.

In the featured graph, the highlighted events represent when field staff would need to revisit the field to determine the reasons for discrepancy between measured and modelled data. This

could, for example, be due to an irrigation problem. During times where the two data sets correlate tightly, the agronomist can act on the data they have in front of them, safe in the knowledge that the values are as expected for that field at that time.

As shown in the graph, a significant reduction in travel time is anticipated, which has a positive impact on the profitability of an agronomist, and allows them to serve more acres with the same amount of time. In-field sensors are a prerequisite component to achieving these results. However, if we introduce a direct cost to the grower for this equipment, we run the risk of them not subscribing to CropLogic, because they dislike upfront costs. Therefore, the cost of the probe is amortised into the per-acre service fee, which itself remains static through an acquisition.

While the immediate focus of CropLogic will be on soil moisture due to its importance in determining plant health at an early stage, the additional service of aerial imagery will also increase the amount of time an agronomist spends on agronomy over travel.

3.14 Qualification checklist

Our acquisition strategy is based on strategic additions to the overall group that will afford growth opportunities into the future.

Not all acquisition opportunities will deliver on that outcome, and several have already been discounted as a result. The Company applies a sophisticated method of evaluating whether a new acquisition opportunity is right for us.

3.15 Post-acquisition process

When it comes to integrating an acquisition and transforming its business model, we do it in four steps.

1.

Stablise

A key part of the acquisition strategy is the purchase of profitable businesses. The first priority post-acquisition is to establish a business-as-usual base from which to grow. As such, the retention of key personnel, key clients, and key business operations is the most important factor for the CropLogic executive.

2.

Drive business efficiencies

The deployment of CropLogic probes allows us to reduce logistical overhead in servicing acres under management. As such, the first step in driving efficiencies into the business is to deploy probes into fields the acquisition company already serves.

At this time, and depending on the client interface already in place within the target, the deployment

of or integration with the CropLogic platform starts, along with that of the back office systems.

It is also at this time that we anticipate the founders and key staff within the acquired business to increase their focus on developing relationships with key regional stakeholders and major clients to establish a pipeline of opportunities for the upcoming phase.

3.

Increase acres under management

The reduction in overheads that come with the introduction of technology provides an increase in available human resources and the start of an increase in 'acres under management' through traditional sales efforts. At this point, revenue derived from the acquisition target is expected to begin to climb, increasing profitability as a result of sales growth (on a largely static cost base).

4.

Increase revenue per acre

As yield prediction and optimisation services are developed, they will be introduced to the existing client base – along with the cross-selling of aerial imagery or other value-added services not already employed by a given grower.

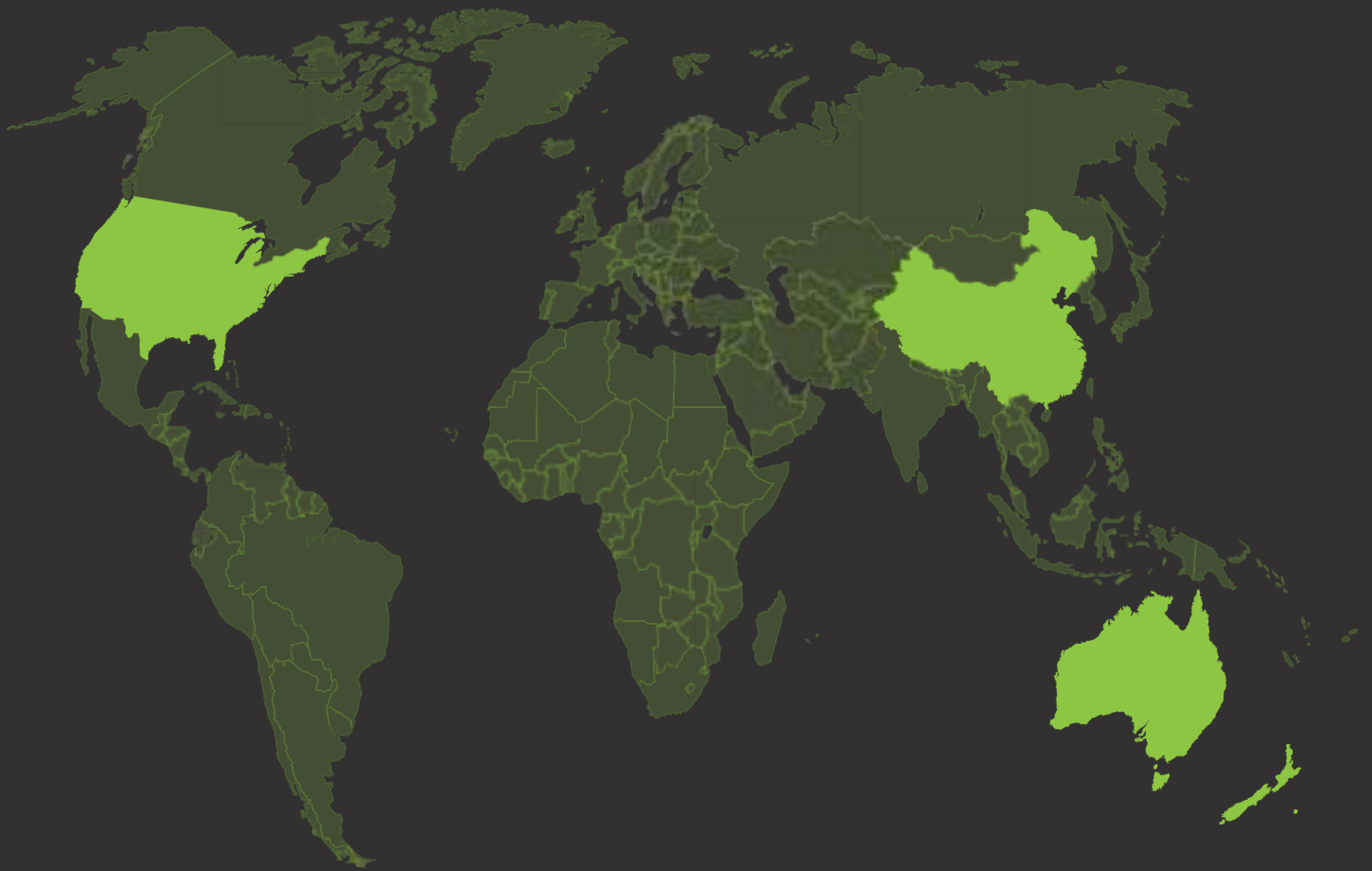
This will increase total revenue per acre to the target figures. Computationally-derived value-added services carry with them a

disproportionately low underlying cost structure, meaning that this final stage of the process carries with it the most profitable advantage for CropLogic as a result of the acquisition.

It is likely that the increased maturity of these services will eventually lead to a consolidation of steps 3 and 4 in our process.

3.16 30 years of research and 5 years of trials

Over 62,000 acres of trials since 2011 with key food processing companies.



United States
550 trial fields,
1 multinational
processor and
1 major US processor



China
8 field trials,
1 multinational
processor

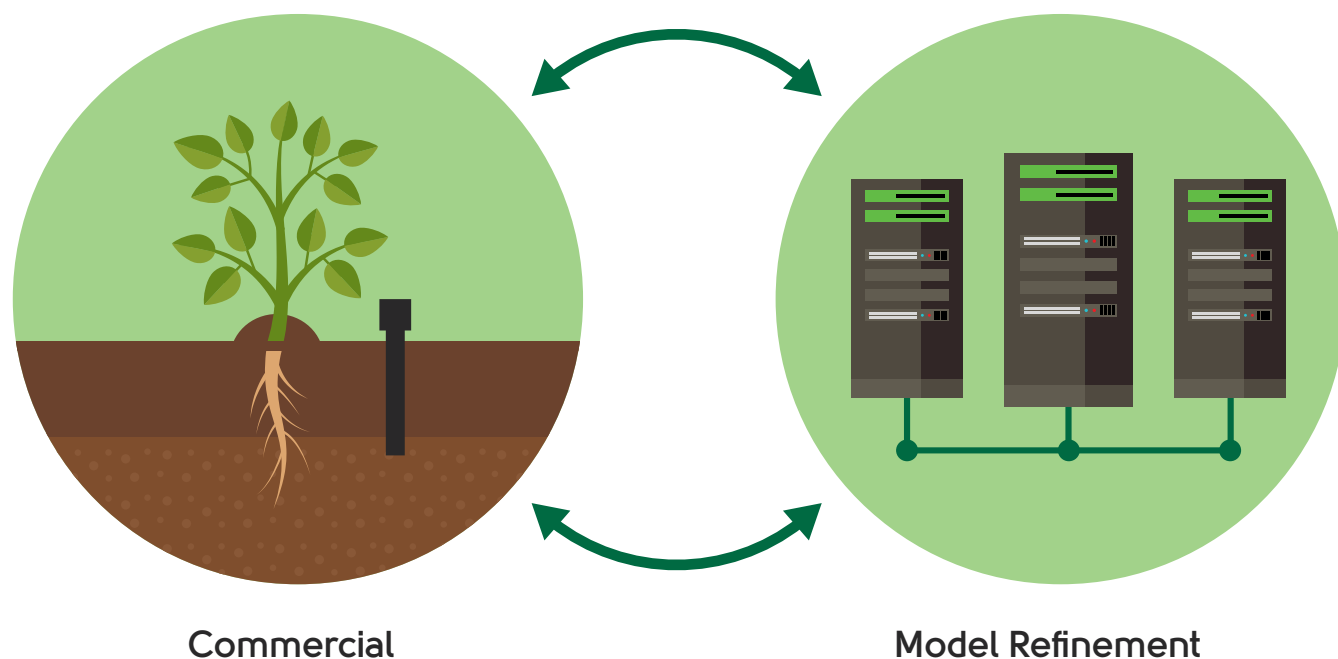


New Zealand
124 field trials,
1 multinational
processor



Australia
2 field trials,
1 multinational
processor

3.17 Product development



We have conducted over 600 field trials since forming CropLogic, the data from which has contributed to the ongoing development and refinement of its algorithms and models.

We have conducted over 600 field trials since forming CropLogic, the data from which has contributed to the ongoing development and refinement of its algorithms and models.

As we service more fields through the course of normal commercial operation, the data we acquire from the customer can contribute to the ongoing refinement and development of the CropLogic analytic platform.

By rapidly reintegrating all available field data back into CropLogic models, we will speed up development and provide a significant competitive advantage.

Apart from research and development – sourced either within the company, through commercial operations, or through licensing of technology from third parties – we will also look to acquire new technology through acquisition.

The 2014 acquisition of Indigo Systems Ltd (**Indigo Systems**) provided us with telemetry and terrestrial wireless expertise which we leveraged to provide CropLogic's current in-field monitoring system. This shows the rapid pathway to commercial outcome an acquisition can give us.

Future technology opportunities may include remote soil moisture sensing technology, further developments in terrestrial wireless communications technology, and satellite imagery.

Our technical roadmap has a number of key development paths. These include:

- ▶ Model development for more crop types — either IP generation through in-house expertise, further licensing deals or acquisition.
- ▶ Data mining — using the regional (anonymized) data to perform post-season analysis, benchmarking and trend identification.
- ▶ Reducing the cost of ownership for the in-field hardware. This includes the introduction of low-cost radio communications to replace satellite links for local sensor networks.
- ▶ Improving and automating the in-field soil moisture probe calibration process
- ▶ Delivering aerial imagery with higher resolution data and improved automatic image processing.
- ▶ Developing our frontend 'user experience' further via app and traditional web pipelines, and our reliable, highly scalable backend processing systems.

Generally speaking, this roadmap provides a pathway in three general areas: hardware, software and model, as discussed in the next section.

3.18 Hardware manufacture

CropLogic acquires data from in-field sensors, which provides the input for algorithms and modelling systems. Through ownership of this hardware, we have maximum control over the accuracy, generation, and delivery of data.

CropLogic intends to continue to develop, deploy, and support its own sensor platform. However, if an alternative platform becomes available, and it is proven to provide equivalent levels of data accuracy and functionality, then we will consider adopting the technology. At the current time, there is no cost-effective direct replacement for the current hardware platform, and this represents another competitive advantage for the Company.

In the medium-term, we will assemble in-field units as close to the installation market as possible, reducing logistical costs and ensuring that the local field force has know-how to assemble, troubleshoot, repair, and replace them in a timely manner. We will also maintain a local stock of operational units to facilitate a 'replace first, repair second' policy and ensure continuity of service. When scale is reached under the current model, it is likely that the fulfilment process will be contracted out to lower both time and hardware cost-per-unit.

We will gain further cost-per-unit savings by rationalising our communications technology, whether that is through the addition of terrestrial wireless functionality, economies of scale with respect to costly input components, or the replacement of specific components with cheaper alternatives as they become available.





3.19 Software Development

CropLogic's frontend 'user experience' is key in providing clear, agronomically useful data and advice for both growers and our in-field team.

Our continuous improvement process sees the rapid introduction of features through a series of development, testing, user acceptance, and release activities. You can see a section of our real-time interface in the diagram above.

Our development pathway for the user interface is two-fold: incorporating the various feature improvements from our technology roadmap as they become market-ready, and also diversifying the range of platforms supported, with a particular emphasis on mobile technology suitable for in-field use.

Supporting the development of the frontend will be a team of backend system designers and engineers. We have designed the architecture for this system using world-class components (such as the Cassandra NoSQL database for time series data) in combination with fault-tolerant, highly scalable service infrastructure, such as Amazon Web Services cloud-based systems.

3.20 Model development

The CropLogic modelling team will continue to develop the parameterisation of soil models for various crops, and will investigate IP sources for the respective plant models.

Fundamentally, CropLogic's soil models have immediate applicability to irrigation-based decisions that agronomists are currently making, which provide value in crops of all types. Plant models enable us to offer clients many of the predictive value-adding modules we expect to introduce in the coming years, and ultimately increase the targeted revenue from US\$25/acre to US\$35/acre.

A key factor in the ongoing development of the core modelling technology is the identification and protection of IP. This may be sourced from a variety of entities or generated internally. A fundamental part of our strategy is the integration and rapid deployment of this IP to our agronomy teams, so they can introduce the value-adding modules to our growers sooner. Our own IP may be retained as trade secret (if developed internally), or we may seek to either patent our internal work or license from others.

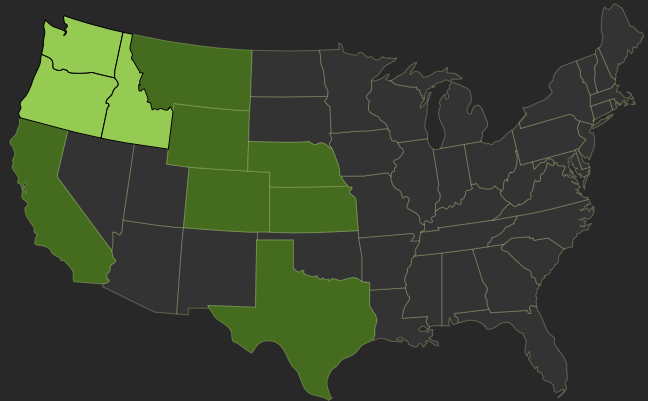
3.21 Market development

By initially targeting the US market – which CropLogic has recently entered through the acquisition of Professional Ag Services Inc – we plan to develop our presence in the markets of other geographical regions.

We plan to establish a presence in Australia in the same way (by acquisition), followed by other emerging markets with appropriate scale in potato crops, namely India, China, Russia, and Brazil.

Because we see the US market as having such a significant influence on the interest in and uptake of CropLogic in other regions, we are allocating 50% of the overall market development to the US market. This is reflective of the desire to capitalise on the Professional Ag Services Inc investment, the maturity of key stakeholder relationships in that market, and the licenses obtained that allow CropLogic to operate in other key crop types markets in the US (corn, cotton, soy, and wheat).

Initially, our resources will target growth in the Washington, Idaho and Oregon markets, and will be influenced by the requirements of key stakeholders within the region.



3.22 Research and Development

Hardware development

To lower both capital expenditure and operational cost structures, we will rationalise our current communications infrastructure. With scale, the economics of a pure satellite communications solution compare unfavourably to a hybrid terrestrial wireless/satellite solution. As such, we are currently developing a complimentary, or replacement, LoraWAN module for the in-field sensors, and with it we intend to significantly reduce both the capital and operational per-unit cost.

This shift to terrestrial wireless will, however, increase centralised support costs and introduce additional complexities into our deployment process. As such, refinement and automation in the field unit provisioning process is a significant part of our development programme in the upcoming years.

As the specification of the current unit nears completion, the focus of development will turn to overall package design. Apart from functional design considerations – such as the ability to reliably transport and store the devices or interchange communications modules as per the demands of different work environments – the presence of CropLogic units in fields is an opportunity to build brand and marketing awareness.

Development and modelling team

To support our intended increase in value-adding services and our corresponding revenue-per-acre targets, it is paramount that the buildout of CropLogic is completed by a development team who can integrate acquired systems and technology, as well as develop the CropLogic user interface and platform. As such, we anticipate a rapid increase in the size of our development and modelling teams in line with further acquisitions and the 2018 US potato season.

Licensing of new technology

Identifying and licensing new technology relevant to CropLogic's core operations is a key activity that will ensure the platform continues to provide valued services to the target market and therefore retain its competitive advantage.

We have a favourable relationship with the PFR through the original technology licensing arrangement, and we are able to engage their research and development capability while retaining the rights to license further IP complementary to the original license. We intend to acquire technology from the best relevant research providers and will leverage an increasing global footprint to do so.

3.23 Our Financial strategy

We intend to use a listing on the Australian Securities Exchange to underpin the upcoming growth strategy.

Use of Funds

The proposed use of funds is detailed in Section 2.7 and the majority of the funds will be allocated to market development and research and development.

Raise total

\$5M–\$8M

1.

Market development (\$2M to \$3M)

- ▶ **50% in the US market** initially targeting Washington/Idaho/Oregon to capitalise on the investment in Professional Ag Services Inc and the potato market
- ▶ **50% in rest of world**
- ▶ **Emerging markets entry strategy** allow us to take an opportunistic approach to prioritising these markets. Our 5-year goal is to be across multiple nations with a short-to-medium term strategy defined. However, this is reactive to opportunities that may favour early market entry into new geographic regions

2.

Research and development (\$1.3M to \$2.6M)

- ▶ Sensor platform development
- ▶ Buildout of existing development team
- ▶ Platform development
- ▶ Business process systemisation
- ▶ Buildout of scientific modelling team
- ▶ Refinement and development of current IP position
- ▶ Yield prediction/optimisation development
- ▶ Payment for licensing of US crop types
- ▶ Further licensing of near-ready technology in relevant crops

\$2M–\$3M
MARKET
DEVELOPMENT

\$1.3M–\$2.6M
RESEARCH &
DEVELOPMENT

\$1M
IPO COSTS

\$1M
WORKING CAPITAL



Jamie Cairns
Managing Director

James Cooper-Jones
Company Secretary
& Chief Financial Officer

3.24 Directors and key personnel



Mr John Beattie

LLB, MAICD

Non-Executive Chairman

John was Company Secretary and then a General Manager at Brierley Investments Ltd for 12 years. He currently chairs Fluent Scientific Ltd, Malcorp Biodiscoveries Ltd and the Commercial Committee of the Malaghan Institute of Medical Research. John was Founder Chairman of Genesis Research & Development Ltd, New Zealand's first listed biotech company.

John is a Director of Wellington Zhaotai Therapies Ltd, a trustee of the Malaghan Institute and Chairman of the New Zealand Sports Hall of Fame as well as being a director of a number of family interests.

John is a former Fulbright Scholar and Prince Phillip Scholar (both 1979) to Cornell University and was later a member of the Cornell University Council.

John was appointed to the Board of the Company on 1 January 2016.

The Board considers that Mr Beattie is an independent Director.



Mr James (Jamie) Cairns

B.Sc, MBA

Managing Director

Jamie was the CEO at Snap Internet, New Zealand (Snap), where he led the transformation of the company from a residential, regional ISP into a successful nationwide service provider. The Snap brand established a reputation for competing aggressively, providing left-field solutions, creative use of input products, and setting new levels of customer service. Snap was recognised with three consecutive 'ISP of the Year' awards, saw huge revenue lifts through growth in corporate and residential clients, witnessed a tenfold increase in staff. Jamie has also held roles in a variety of technology and communications companies. He has also run and grown an ICT consulting business in London, and has acted in numerous network and system consulting roles including for the Ministry of Defence in the United Kingdom.

Jamie was previously appointed as Chief Executive Officer of the Company in February 2016 and was appointed as Managing Director of the Company on 24 May 2017.

The Board considers that Mr Cairns is not an independent Director.

3.24 Directors and key personnel



Dr Stephen Hampson
BE (Hons), PhD

Non-Executive Director

Stephen's career has been dedicated to transforming new knowledge into commercial success. His commercialisation work in Europe included fast-growth execution and business-improvement in several acquired companies he was appointed to lead, including the trade sale of one of these companies and the domination of a global niche in another. Returning to New Zealand, Stephen was inaugural CEO of the award-winning Canterbury Innovation Incubator (Cii) before establishing Powerhouse in 2006 and becoming Chief Executive.

Stephen is also a director of Powerhouse Ventures Limited, Hydroworks Limited, Invert Robotics Limited and Veritide Limited.

Stephen was appointed to the Board on 4 October 2013.

The Board considers that Dr Hampson is not an independent Director due to his role as Managing Director of PowerHouse Ventures Limited, a substantial shareholder of the Company



Mr Peter Roborgh
BSc, MSc(Hons)

Non-Executive Director

Peter was General Manager of rural telco FarmSide at NZX listed TeamTalk Ltd. Earlier he served as Chief Operating Officer of Energy Mad Ltd. In this role he was responsible for representing Energy Mad's interests in its joint venture with its Chinese manufacturing partner, for establishing new national sales channels and for all aspects of worldwide fulfilment and logistics. Prior to Energy Mad, he worked for the New Zealand Institute of Plant and Food Research evaluating the intellectual property, market proposition and future for CropLogic and was instrumental in CropLogic being established as a separate company. Peter was earlier Chief Executive of telco CallSouth Ltd, a business he established and subsequently sold to NZX listed TrustPower. Peter has a strong track record in FMCG, financial services and energy utilities and in startups in telecommunications, consumer electronics and agritech.

Peter was appointed to the Board on 2 November 2010.

The Board considers that Mr Roborgh is an independent Director.

**Mr Steven Wakefield**

B.Com, B.Sc, FCA, C.M.Inst.D

Non-Executive Director

Steven's career has seen him working for over 30 years with global accounting and management consulting firm Deloitte both in New Zealand and the USA in such roles as Senior Partner – Risk Advisory. He is a director of the NZ Health Innovation Hub, former Deputy Chair of the Canterbury District Health Board, and an experienced director and trustee. Steve was named as New Zealand's top Chartered Accountant in the 2012 NZCIA annual leadership awards.

Steven was appointed to the Board on 27 August 2013.

The Board considers that Mr Wakefield is an independent Director.

**James Cooper-Jones**

B.A. / B.Comm. MIPA, MIFA, GIAcert, SA Fin.

Chief Financial Officer and Company Secretary

A graduate of one of Australia's top ranked agricultural universities James is an experienced finance executive with a global perspective and has managed accounting and reporting functions in Australia, Asia, Africa and the Middle East. James' career has seen him hold accounting and secretarial roles in companies in the resources, agriculture, import/export and information technology industries. James also has extensive experience managing listed entities including reporting, marketing and investor relations, market positioning and branding and capital raising.

James was appointed as Chief Financial Officer and Company Secretary on 1 June 2017.

3.24 Directors and key personnel



Matthew Journée
BE (Hons)

Chief Operating Officer

Matthew has been working in new technology development for much of his career. He began as an engineer developing a wide range of new products in the fields of remote handling, gas turbine combustion, cogeneration and nuclear decommissioning. Matthew also spent a number of years in venture capital shaping university research into early stage companies. In recent years, he has worked in broad project and operations management roles in the United Kingdom. Matthew has an honours degree in mechanical engineering and is a Fellow of the UK Institute of Mechanical Engineers.



Dr Dave Rankin
BE (Hons), PhD

Chief Technology Officer

Dave was the CEO of Indigo Systems, an agricultural data technology company prior to its acquisition by CropLogic. He pioneered the use of innovative, low powered mesh network systems in the New Zealand viticulture industry and solved key problems in soil moisture and microclimate measurement. Dave is an expert in field telemetry and has a wide range of skills in software, hardware, RF and control system modelling. Prior to this he had experience in postdoctoral research, embedded system design and consultancy. Dave has a PhD in electronic and electrical engineering.

3.25 Additional Information

Prospective investors are referred to and encouraged to read the Patent Attorney's Report in Section 5 in its entirety for further details about the intellectual property rights of the Company.

3.26 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the development of the business. These activities are expected to dominate at least, the first two year periods following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.27 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Minimum Subscription	Full Subscription
Shares currently on issue as at the date of this Prospectus	51,501,096	51,501,096
Shares to be issued to optionholder ¹	3,303,348	3,303,348
Shares to be issued to Convertible Noteholders on conversion of Convertible Notes ²	24,174,996	24,174,996
Shares to be issued to the Managing Director and Chief Financial Officer on completion of the Offer	540,000	540,000
Shares issued pursuant to the Public Offer	25,000,000	40,000,000
Shares issued pursuant to the Cleansing Offer	1	1
TOTAL	104,519,441	119,519,441

Notes

- i. An Optionholder has given the Company notice of exercise of Options but the payment is not required until 14 July 2017. These Shares will be issued following receipt of cleared funds from the Optionholder.
- ii. The Company currently has two classes of convertible notes. All convertible notes will automatically convert on completion of the Public Offer.
- iii. Class A convertible notes have a face value of NZ\$10,000. There is a total of 20 Class A convertible notes on issue which equates to an aggregate face value of NZ\$200,000 (AUD\$188,000 using an NZD:AUD exchange rate of 1:0.94, being the 10 day average exchange rate set for the purposes of the Company's Shareholder meeting held on 21

June 2017). These convertible notes will convert into 1,175,000 Shares at a conversion price of AUD\$0.16 per Share; and

- iv. Class B convertible notes have a face value of AUD\$10,000. There is a total of 253 Class B convertible notes on issue which equates to an aggregate face value of AUD\$2,530,000. These convertible notes will convert into 22,999,996 Shares at a conversion price of AUD\$0.11 per Share.

Performance Rights	Minimum Subscription	Full Subscription
Performance Rights on issue as at the date of this Prospectus ¹	1,125,925	1,125,925
Performance Rights offered pursuant to the Offer	Nil	Nil
Total Performance Rights on issue after completion of the Offer	1,125,925	1,125,925

Notes

- i. The Performance Rights will be issued in three classes in the following proportions: Class A (533,333), Class B (355,556) and Class C (237,037). The performance hurdles are:

- ▶ (Class A): The Company's share price, as traded on ASX, increasing to not less than \$0.30 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the first 12 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).
- ▶ (Class B): The Company's share price, as traded on ASX, increasing to not less than \$0.45 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class A Performance Rights up to 24 months following the

commencement of official quotation of the Company's shares on ASX (Performance Hurdle).

- ▶ (Class C): The Company's share price, as traded on ASX, increasing to not less than \$0.675 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class B Performance Rights up to 36 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).

The full terms and conditions are set out in Section [insert].

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offers will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. No Shares issued under the Offers will be subject to escrow under the ASX Listing Rules.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.

3.28 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the

Offers (assuming full subscription) are set out in the respective tables below.

As at the date of this prospectus

Shareholder	Shares	Options	% (undiluted)	Notes
Powerhouse Ventures Limited (New Zealand Company number 1854396) ¹	15,781,848	Nil	30.64%	1. Powerhouse Ventures Limited also holds 28 Class B Convertible Notes which will automatically convert into 2,545,455 Shares at completion of the Public Offer.
NZVIF Investments Limited (New Zealand Company number 1601404)	8,816,730	Nil	17.12%	
Powerhouse No.2 Nominee Limited (New Zealand Company number 4477358)	6,736,416	Nil	13.08%	2. Innovative Software Limited is a Company associated with Mr. Steven Wakefield, a Director of the Company. Innovative Software Limited also holds 5 Class B Convertible Notes which will automatically convert into 454,545 Shares at completion of the Public Offer.
Innovative Software Limited (New Zealand Company No. 4453938) ²	5,226,306	Nil	10.15%	
Mr David Rankin	4,858,578	Nil	9.43%	
Mr Peter Roborgh	3,384,000	Nil	6.57%	

On completion of the Offers with Minimum Subscription and issue of Shares to Convertible Noteholders (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers)

Shareholder	Shares	Options	% (undiluted)	Notes
Powerhouse Ventures Limited (New Zealand Company number 1854396) ¹	18,327,303	Nil	17.53%	1. This assumes conversion of the Convertible Notes held by Powerhouse Ventures Limited.
NZVIF Investments Limited (New Zealand Company number 1601404)	8,816,730	Nil	8.44%	
Powerhouse No.2 Nominee Limited (New Zealand Company number 4477358)	6,736,416	Nil	6.45%	2. This assumes conversion of the Convertible Notes held by Innovative Software Limited.
Innovative Software Limited (New Zealand Company No. 4453938) ²	5,680,851	Nil	5.44%	
Mr David Rankin	4,858,578	Nil	4.65%	
Mr Peter Roborgh	3,384,000	Nil	3.24%	

On completion of the Offers with Maximum Subscriptions and issue of Shares to Convertible Noteholders (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers)

Shareholder	Shares	Options	% (undiluted)	Notes
Powerhouse Ventures Limited (New Zealand Company number 1854396) ¹	18,327,303	Nil	15.33%	1. This assumes conversion of the Convertible Notes held by Powerhouse Ventures Limited.
NZVIF Investments Limited (New Zealand Company number 1601404)	8,816,730	Nil	7.38%	
Powerhouse No.2 Nominee Limited (New Zealand Company number 4477358)	6,736,416	Nil	5.64%	2. This assumes conversion of the Convertible Notes held by Innovative Software Limited.
Innovative Software Limited (New Zealand Company No. 4453938) ²	5,680,851	Nil	4.75%	
Mr David Rankin	4,858,578	Nil	4.07%	
Mr Peter Roborgh	3,384,000	Nil	2.83%	

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

04

Section 04. Risk Factors

4.1 Introduction

The Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and in the Investment Overview, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company and the industry in which it operates. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section and in the Investment Overview, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company specific

(a) Business Failure

Following completion of the Public Offer, the Company intends to continue its agronomy service business, potentially acquire new agronomy service business' and continue to develop and market the CropLogic technology. There is no guarantee that the Company's business to date, future acquisitions or the development and marketing campaign will be successful. If these events are not successful this would likely have an adverse impact on the Company's potential profitability. Even if the Company continues its agronomy service business, acquire new agronomy businesses and successfully commercialize its technology, there is a risk the Company will not achieve a commercial return.

There is a risk of business failure, including that CropLogic will fail to attract new clients, fail to retain existing clients, or that sufficient revenue will otherwise not be achieved. In event of business failure there is also a risk CropLogic will not be able to service loans such as the Callaghan Loan (refer to Section 9.5) which would require the Company to refinance its loans. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or suspend its operations to reduce costs. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. CropLogic is still an early stage company and the risks of failure and loss of investments are greater than those of a more mature company. There is therefore a risk you may lose all or part of your investment.

(b) Licensing risk

CropLogic is party to licence agreements with PFR (refer to Sections 9.6 and 9.7), pursuant to which PFR grants the Company a worldwide exclusive right and licence to use certain intellectual property for the use, sub-licence, promotion, marketing, distribution, modification and support of the CropLogic Potato Calculator as a decision support system for the potato cropping industry. Under the agreements, the Company has a number

of performance obligations including to use reasonable efforts at all times to market, promote, distribute and support the Potato Calculator and to maximise royalties. Maintenance of this agreements will be dependent upon compliance with such terms and the Company is also reliant on PFR complying with its contractual obligations. There is a risk that the Company or PFR does not comply with the terms of the agreements and that the agreements are terminated which could have a significant negative impact on the Company and an adverse impact of the financial position of the Company. Where PFR fails to comply with the licence agreements, the Company may then need to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

(c) Intellectual property

CropLogic licenses intellectual property from The New Zealand Institute for Plant and Food Research Limited which has pursued intellectual property protection in the form of patents and patent applications however legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the The New Zealand Institute for Plant and Food Research Limited in every country in which CropLogic seeks to operate. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property licensed from The New Zealand Institute for Plant and Food Research Limited. This could result in unexpected costs or impact sales of certain products or services being offered by CropLogic.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(d) Supplier and manufacturer risk

The Company sources a number of products and services from third party suppliers and manufacturers. Examples include in-field sensors and battery components. Any material changes in the trading terms and or supply from these third-party providers may impact the Company's ability to provide the current suite of products and agronomy services to its customers at the current pricing and gross margin.

(e) Business model to initially focus on growing market share

CropLogic's business model is initially focused on maximising sales and market share, rather than profitability. This is likely to require expenditure on marketing and business development and significant expenditure on personnel. Only once CropLogic has incurred such additional expenditure will it be in a position to seek to achieve its targeted revenue growth and market penetration objectives. Accordingly, CropLogic may not achieve significant profitability in the short term or may suffer losses and, to the extent such circumstances continue, may suffer a shortage of working capital.

(f) Risks associated with overseas expansion

The CropLogic technology has been constructed so as to be capable of being utilised in, and marketed to, multiple overseas jurisdictions. As CropLogic seeks to expand into overseas markets, including the United States, China, Brazil, Russia and India, it may require a physical presence in those countries and an associated increase in overheads and development and marketing costs.

There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for CropLogic's products in that market, that the costs of doing business in that market, including the costs of establishing a new base in that country, overseas regulatory compliance and the potential duplication of running costs for the business, are such that CropLogic's profitability and available working capital will be adversely impacted.

(g) Business know-how

There is a risk that a key person leaves CropLogic such that it would lose access to his or her skills and expertise, and or a key person joins a competitor. If CropLogic fails to retain key personnel, the pace of its future growth may be restricted and the quality of its services may be reduced with a corresponding adverse impact on its business and operations.

(h) The nature of CropLogic's business

CropLogic is an agronomy technology and service company. Changes in technology platforms, industry dynamics and regulatory environments may impact on CropLogic. If CropLogic's technology does not perform to the standard and efficiency levels it expects then there is a risk of customer dissatisfaction and damage to the reputation of the business, which may manifest in lower than expected future revenue.

(i) CropLogic funding and grants

The Company materially benefits from financial and other support from New Zealand government business enterprise. Under the terms of the loan agreement with Callaghan Innovation, Callaghan has the right to terminate the agreement and demand repayment of the loan following 31 December 2017 should certain elements not be delivered to their satisfaction. Although the Company has a reasonable expectation that Callaghan will not terminate the loan, should they choose to do so, withdrawal of such support could be materially adverse to the Company's financial position and prospects. See Section 9.5 for a summary of agreements with Callaghan Innovation.

4.3 Industry specific**(a) Competitive pressures**

Individual products may fail to be accepted within the market. The Company could be subject to substantial competitive pressure from rival products. The entry of new players into the industry would increase competitive pressure faced by existing operators.

The Company is committed to combination of cutting edge research and technology using remote sensing with highly skilled technical, local and practical experience. Competitors using these elements may be able to develop superior products with key competitive advantages.

(b) Backlash against agricultural technology

The Company is committed to combination of cutting edge research and technology using remote sensing with highly skilled technical, local and practical experience. There is a risk that a backlash against using technology in agriculture may affect the Company's ability to sell its product.

4.4 General risks**(a) Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

(b) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

(c) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- ▶ General economic outlook.
- ▶ Introduction of tax reform or other new legislation.
- ▶ Interest rates and inflation rates.
- ▶ Changes in investor sentiment toward particular market sectors.
- ▶ The demand for, and supply of, capital.
- ▶ Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability

and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Public Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) Government policy changes

Adverse changes in government policies or legislation may affect the activities of the Company.

(g) Litigation risks

The Company is exposed to possible litigation risks including maintenance of Company records, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(h) Foreign Exchange Risk

The operations of the Company are in New Zealand and the United States of America and the Company intends to raise capital in Australian dollars. Accordingly, a foreign exchange risk exists in relation to any significant fluctuations in currency exchange rates. The Company does not have any formal policy in hedging against foreign exchange exposure.

(i) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

4.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

05

Section 05. Intellectual Property Report



29 June 2017

Croplogic Ltd
PO Box 69-250
Lincoln
New Zealand

Dear Sirs

Intellectual Property Report - Croplogic Ltd

1. Introduction

Armour IP has been instructed by Croplogic Limited ("Croplogic") to prepare the present report for inclusion in a prospectus. We have been asked to provide details regarding the intellectual property which is either owned by Croplogic or for which Croplogic has obtained licenses. The information contained is current as of the date of the report.

2. Summary

Armour IP has been engaged by Croplogic for the purposes of preparing this report. The patents considered by this report are owned by The New Zealand Institute for Plant and Food Research Limited ("Plant and Food Research"). While we have been provided with some information regarding the license obtained by Croplogic to exploit the subject matter of the patents mentioned in Section 3 below, the terms and validity of the license are beyond the scope of this report.

The patent portfolio of Plant and Food Research comprises a single patent family, details of which are provided in Section 3 below. Some of the patent applications are still pending and some have been granted, as set out in the table.

Trade Marks have also been registered by Croplogic and details of the trade mark registrations are provided in Section 4 below.

3. Patent Portfolio

3.1 "System and Method for Managing and Predicting Crop Performance"

This family of patent applications claims priority from New Zealand patent application 562316 filed on 9 October 2007. An international patent application, number PCT/NZ2008/000263, filed under the Patent Cooperation Treaty, was lodged on 9 October 2008 claiming priority from the abovementioned New Zealand patent application.

Croplogic Ltd
Intellectual Property Report

29 June 2017


National patent applications based on the international patent application were filed in 2010 in the countries indicated in the table below. At present, patents in the US and New Zealand have been granted. The applications in Europe and Canada are still pending.

The patent applications relate to a method for proactively managing fertiliser and irrigation inputs for a crop. The granted patents in USA and New Zealand include claims defining the invention including generally the steps of obtaining weather and soil data and calculating from the planting date an emergence date, predicted nitrogen deficit values and water deficit values in order to provide a schedule of proactive recommended nitrogen application values, irrigation values and application dates.

Country	Application Number / Patent Number	Filing Date	Expiry Date (assuming all renewals paid)	Status
Canada	2,699,571	9 Oct 2008	9 Oct 2028	Pending
Europe	08838470.6	9 Oct 2008	9 Oct 2028	Pending
New Zealand	562316	9 Oct 2007	9 Oct 2028	Granted
USA	12/682,227 8,671,006	9 Oct 2008	9 Oct 2028	Granted

4. Trade Mark Portfolio

Trade Mark applications have been filed in the countries set out below for the marks as indicated. These Trade Mark registrations are owned by Croplogic Ltd. Each of the marks has been registered.

Country	Registration Number	Mark	Filing Date	Classes	Status
Australia	1314148	CROPLOGIC	10 Aug 2009	9,35,44	Registered
New Zealand	777162	CROPLOGIC	5 Oct 2007	9,35,44	Registered
New Zealand	777161		5 Oct 2007	9,35,44	Registered
USA	3625577	CROPLOGIC	4 April 2008	9,35,44, 45	Registered
Europe	008182305	CROPLOGIC	26 Mar 2009	9,35,44	Registered

5. Overview of Intellectual Property Protection

The term Intellectual Property refers to a set of rights applicable to intangible property. Intellectual Property rights include patents, designs, trade marks, copyright, confidential information, plant varieties and trade secrets.

This report relates only to intellectual property in the form of patents and trade marks.

5.1 Patents and Process for Obtaining Patent Protection

A patent is a monopoly that gives the owner the exclusive right to exploit an invention during the term of the patent. The exclusive right provided by the patent allows the owner to prevent third parties from producing, selling or importing a patented product, or from using a patented method. The right can be exploited by manufacturing the invention or a licence can be granted to other parties for a royalty. A patent is considered property and can also be sold.

A general requirement for a patent to be obtained is that the invention be considered both novel and inventive. Novelty relates to whether an invention is considered to be new. An invention may be considered lacking novelty if it has been publicly disclosed or used before the date on which the patent application is filed. An invention is generally considered to be inventive if it would not be obvious to someone skilled in the relevant field, given the general knowledge of such a person.

The process of obtaining a patent commences with filing a patent application with a Patent Office. The patent application must describe the invention in detail and includes one or more claims which define the scope of protection sought. A common first step is the filing of a provisional application. A provisional application can be filed with the Patent Office, after which a complete application must be filed within 12 months.

Under the Paris Convention, an applicant may file patent applications in any convention country within 12 months of the original filing and obtain the benefit of the filing date of the original application. Alternatively, a single patent application may be filed under the Patent Cooperation Treaty. Such an application is considered the same as a national application filed in each country which is a party to the Treaty, however it is necessary to complete national filing requirements (referred to as entering the national phase) within 30 or 31 months of the priority date.

A patent application filed under the Patent Cooperation Treaty will be considered by an International Search Authority. The International Search Authority will conduct an International Search and issue a report and opinion as to whether the claims of the patent meet the patentability requirements. On entering the national phase however, each national office may conduct further searching and may raise further objections based on national patent law.

5.2 Inventorship and Ownership

A patent for an invention may be granted to the person who is the inventor of the invention or a person who derives title to the invention from the inventor. In the case of Patent Family 1 mentioned above, the published International patent application sets out that the inventors of the invention are Robert Francis Zyskowski and Peter Douglas Jamieson. The means by which rights of the inventors have been transferred to Plant and Food Research and the validity of the transfer is beyond the scope of this report.

5.3 Maintenance of Patents

The term of the granted patent, in most countries, is 20 years calculated from the date of filing of the complete patent application. In the case where an international patent application is filed under the Patent Cooperation Treaty, the term is calculated from the filing date of the international application.

In order to maintain a granted patent in force, it is generally necessary to pay maintenance fees at regular intervals. The dates at which maintenance fees are payable vary from country to country, but in many cases maintenance fees must be paid annually. In some countries maintenance fees are payable only after grant and in others maintenance fees are payable regardless of the status of the patent.

5.4 Patent Validity

While a patent may be granted by a national patent office, there is no guarantee that the granted patent is valid. Options exist to challenge the validity of the patent including re-examination, opposition proceedings before the Patent Office or invalidation proceedings before the relevant court. Patent validity may also be the subject of a counterclaim to an allegation of patent infringement.

Despite the fact that patents have been granted in the USA and New Zealand, it cannot be assumed that the other pending patent applications will proceed to grant. It is also possible that scope of claims granted may vary from jurisdiction to jurisdiction.

5.5 Freedom to Operate

The grant of a patent does not have any bearing on whether the invention described in the patent application would infringe the rights of earlier filed patents. It is possible to both obtain patent protection for an invention and yet still infringe the rights of an earlier granted patent. The result therefore of prosecution of any of the patent applications mentioned in the current report does not allow any conclusions to be drawn with regard to freedom to operate.

5.6 Patent Enforcement

Enforcement of patent rights is available only once a patent has been granted. Rights will however still generally exist while a patent is pending and damages may also be claimable in the case of infringing action occurring prior to grant, subject to national requirements been met.

Infringement proceedings are generally brought before the relevant national court, where decisions will be made regarding the scope of the claims and whether the actions of an alleged infringer fall within that scope. An alleged infringer may counterclaim during infringement proceedings that the patent was in fact invalid. Such invalidity claims may be based on new prior art which was not considered during the examination phase of the patent application.

5.7 Trade Marks

A Trade Mark is any sign used by a trader in the course of business to distinguish their goods and services from those of other traders. Common Trade Marks are therefore the names and logos used for businesses and their products. Trade Marks however may take other forms including aspects of packaging, colours, sounds, scents or combinations of these.

For a trade mark to be registrable, it must be distinctive. That is, the mark cannot be one which may be required for legitimate use by other traders. Marks which are descriptive of the goods or services are therefore not likely to be registrable.

Trade Mark rights in Australia arise through either use or registration of the Trade Mark. While preventing other parties using a mark without a registration is possible, registration of a trade mark puts the trade mark owner in a stronger position to enforce rights.

If a third party uses a registered Trade Mark in relation to the goods or services for which it is registered, then action can potentially be taken for Trade Mark infringement. Remedies available for such infringement include an injunction and damages or an account of profits.

Obtaining a Trade Mark registration commences with filing a Trade Mark application with the Trade Mark Office. The application must specify the goods and/or services on which the mark is to be used. The application will be examined by the Trade Mark Office, which includes an assessment as to whether the mark is sufficiently distinctive. A search is also conducted of the Trade Mark register and objections will be raised if any previous marks exist which are deceptively similar and have been filed in relation to similar goods or services.

If the application is accepted, it will be advertised in the official Trade Mark journal and third parties may object to the registration. If no opposition is filed, the application will be registered after payment of the registration fees. The registration will remain in force for a period of 10 years and can be renewed for further successive 10 year periods indefinitely.

A Trade Mark application can be used as a “priority” claim for further trade mark applications filed overseas, if the overseas applications are filed within 6 months of the original application. That is, the overseas applications will be given the same effective date as the original Trade Mark application

In general, Trade Marks are national rights and must therefore be registered in each country. It is possible however to file a European Community Trade Mark which will cover each country of the European Union. It is also possible to file an International Trade Mark application under the Madrid Protocol, however it is still necessary with such an application to select those countries which are to be covered. Further countries may be added to an International Trade Mark as ‘subsequent designations’.

6 Information Sources

Preparation of this report has included reliance on information contained in publicly available databases relevant to the patent applications. Armour IP is not responsible for the accuracy of the information contained in these databases and accordingly cannot guarantee the accuracy of this information.

7 Armour IP’s interest

Armour IP has been engaged by Croplogic to provide the present report but is not involved in prosecution of the patent and trade mark applications mentioned.

8 Consent

Armour IP consents to inclusion of this report in a prospectus to be issued by Croplogic.

Yours faithfully



Neal Holliday
Armour IP

06

Section 06. Investigating Accountant's Report

**RSM Corporate Australia Pty Ltd**

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10 July 2017

The Directors
CropLogic Limited
PO Box 29-250
Lincoln 7640, New Zealand

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on CropLogic Limited Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by CropLogic Limited ("CropLogic" or the "Company") to report on the historical financial information of CropLogic and Professional Ag Services, Inc. ("Pro Ag") for the three years ended 31 March 2017 and the pro forma financial information of the Company as at 31 March 2017 for inclusion in the prospectus ("Prospectus") of CropLogic dated on or about 10 July 2017 in connection with CropLogic's proposed initial public offering and listing on the Australian Securities Exchange ("ASX"), pursuant to which the Company is offering a minimum of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000 and a maximum of 40,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs) (the "Offer").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The future prospects of the Company, other than the preparation of the pro forma historical financial information, assuming completion of the transactions summarised in Note 1 of the Appendix of this Report, are not addressed in this Report. This Report also does not address the rights attaching to the shares to be issued pursuant to this Prospectus, nor the risks associated with an investment in shares in the Company.

Background

CropLogic is an agronomy services company that combines research and technology with in-field support teams to provide advice to growers on day-to-day crop management with the aim of optimising crop yields.

The Company is seeking to raise funds in order to implement the business model and objectives of the Company and support an application to list the Company on the ASX.

Subsequent to the year end, on 28 April 2017, the Company acquired Pro Ag as part of a broader strategy to extend its footprint to the US market. Consideration to acquire Pro Ag included a cash payment of up to

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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US\$1,850,000, with US\$1,050,000 of this to be deferred and paid at a later date, contingent on certain performance hurdles.

Scope

Historical financial information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the following historical financial information of the Company and Pro Ag included in the Prospectus at the Appendix to this Report:

- The statement of comprehensive income and statement of cash flows of the Company and Pro Ag for the three years ended 31 March 2017; and
- The statement of financial position of the Company as at 31 March 2017 and of Pro Ag on the acquisition date of 28 April 2017.

(together the "Historical Financial Information" attached at the Appendix in this Report for reference).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of the International Financial Reporting Standards and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from:

- The audited financial statements of the Company for the financial years ended 31 March 2017 and 31 March 2016 (including the comparative year ended 31 March 2015) which were audited by PricewaterhouseCoopers ("PwC") in accordance with International Standards on Auditing. The 31 March 2017 and 31 March 2016 financial statement included qualified audit opinions. The audit opinions were qualified on the basis that the Company chose to classify Redeemable Preference Shares as an equity instrument, rather than a term liability. The value of the Redeemable Preference Shares is NZ\$3,570,600 (A\$3,270,562). The Redeemable Preference Shares were converted to ordinary shares (an equity instrument) subsequent to the Company's 31 March 2017 reporting date. PwC's audit report also included an emphasis of matter on the Company's ability to continue as a going concern; and
- The audited financial statements of Pro Ag for the financial years ended 31 March 2017 and 31 March 2016 (including the comparative year ended 31 March 2015) and the balance sheet of Pro Ag on the acquisition date of 28 April 2017, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards and issued with unqualified opinions.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM to review the pro forma historical consolidated statement of financial position as at 31 March 2017, referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company and Pro Ag after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles of the International Financial Reporting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Note 1 of the Appendix to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of financial performance.



Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- A consistency check of the application of the stated basis of preparation, to the Historical and Pro Forma Historical Financial Information;
- A review of the Company's and its auditors' work papers, accounting records and other documents;
- Enquiry of directors, management personnel and advisors;
- Consideration of subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report; and
- Performance of analytical procedures applied to the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Except for the matter discussed below, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendix to this Report, and comprising:

- The statement of comprehensive income and statement of cash flows of the Company and Pro Ag for the three years ended 31 March 2017; and
- The statement of financial position of the Company as at 31 March 2017 and of Pro Ag on the acquisition date of 28 April 2017;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 2 of the Appendix to this Report.



Basis for the Qualification

The Historical Financial Information of the Company is required to be prepared in accordance with the *Corporations Act 2001*. In complying with the *Corporations Act 2001* the Historical Financial Information must comply with all applicable Australian Accounting Standards. As stated in the financial statements of the Company for the year ended 31 March 2017, the Company has chosen to classify Redeemable Preference Shares as an Equity Instrument rather than Term Liability. The value of these Redeemable Preference Shares is A\$3,270,562 (NZ\$3,570,600).

This constitutes a departure from Australian Accounting Standards as the classification does not comply with AASB 132 Financial Instruments: Presentation, as the company does not have the ability to avoid the contractual obligation to deliver economic benefits to holders should they request redemption. If the Redeemable Preference Shares were classified as a liability, this would reduce shareholders equity from a deficit of A\$707,816 (NZ\$772,750) to a deficit of A\$3,978,378 (NZ\$4,343,350), and the liabilities of the company would increase from A\$1,973,998 (NZ\$2,155,090) to A\$5,244,560 (NZ\$5,725,690).

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in the Appendix to this Report, and comprising the consolidated statement of financial position of the Company as at 31 March 2017 and the statement of financial position of Pro Ag at the acquisition date of 28 April 2017, are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 2 of the Appendix of this Report.

Subsequent to 31 March 2017, the Redeemable Preference Shares were converted to equity as ordinary shares in the Company, therefore the Pro Forma Historical Financial Information has been prepared in accordance with Australian Accounting Standards.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A J Gilmour'.

A J GILMOUR
Director

Appendix A – Historical and Pro Forma Financial Information

CROPLOGIC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE YEARS ENDED 31 MARCH 2017

	Year ended 31-Mar-17 Audited A\$	Year ended 31-Mar-16 Audited A\$	Year ended 31-Mar-15 Audited A\$
Revenue	124,906	136,511	57,483
Cost of sales	(68,734)	(50,388)	(25,510)
Gross profit	<u>56,171</u>	<u>86,124</u>	<u>31,973</u>
Expenses			
Direct costs	(58,394)	(14,590)	(13,413)
Research & development costs	(419,802)	(534,054)	(240,188)
Employee expenses	(301,752)	(190,330)	(186,299)
Administrative expenses	(136,275)	(247,043)	(34,510)
Consultancy fees	(106,465)	(46,557)	(35,918)
Professional fees	(104,217)	(91,792)	(67,444)
Capital raising costs	(201,260)	(11,071)	(21,209)
Interest	(36,917)	(11,337)	(195)
Depreciation & amortisation	(160,362)	(152,428)	(111,441)
Other Income/Expenses	(4,080)	6,768	2,250
Loss before income tax	<u>(1,473,354)</u>	<u>(1,206,310)</u>	<u>(676,395)</u>
Income tax expense / (benefit)	131,904	-	-
Loss after income tax doe the period	<u>(1,341,450)</u>	<u>(1,206,310)</u>	<u>(676,395)</u>
Total comprehensive loss for the period	<u>(1,341,450)</u>	<u>(1,206,310)</u>	<u>(676,395)</u>

Investors should note that past results are not a guarantee of future performance.

The figures shown above have been translated from the New Zealand Dollar reported figures of CropLogic into Australian Dollars using the average annual NZD:AUD for the respective years ended 31 March 2015, 2016 and 2017.

Appendix A – Historical and Pro Forma Financial Information

CROPLOGIC LIMITED STATEMENT OF CASH FLOWS FOR THE THREE YEARS ENDED 31 MARCH 2017

	Year ended 31-Mar-17 Audited A\$	Year ended 30-Mar-16 Audited A\$	Year ended 31-Mar-15 Audited A\$
Cash flows from operating activities			
Receipts from customers	135,380	134,833	44,441
Payments to suppliers and employees	(1,171,392)	(1,044,569)	(1,483,136)
Net interest paid	(186)	-	-
Income tax benefit	1,884	412	(642)
Net effect of exchange rate changes in consolidating foreign operations	6,820	(7,818)	1,541
Net cash (outflow) from operating activities	<u>(1,027,494)</u>	<u>(917,142)</u>	<u>(1,437,796)</u>
Cash flows from investing activities			
Purchase of fixed assets	-	(30,857)	(78,448)
Purchase of Intangible assets	(72,548)	-	-
Net cash (outflow) from investing activities	<u>(72,548)</u>	<u>(30,857)</u>	<u>(78,448)</u>
Cash flows from financing activities			
Proceeds from convertible note issue	320,339	-	-
Proceeds from share capital issue	356,890	682,707	1,432,967
Capital raising costs	(66,477)	-	-
Investor capital received in advance	8,951	-	-
Proceeds from borrowings	355,199	414,539	-
Net cash inflow from financing activities	<u>974,901</u>	<u>1,097,246</u>	<u>1,432,967</u>
Net increase (decrease) in cash held	(125,140)	149,246	(83,277)
Cash and cash equivalents at the beginning of the period	204,971	55,725	139,002
Cash and cash equivalents at the end of the period	<u>79,830</u>	<u>204,971</u>	<u>55,725</u>

Investors should note that past results are not a guarantee of future performance.

The figures shown above have been translated from the New Zealand Dollar reported figures of CropLogic into Australian Dollars using the average annual NZD:AUD for the respective years ended 31 March 2015, 2016 and 2017.

Appendix A – Historical and Pro Forma Financial Information

PROFESSIONAL AG SERVICES, INC. STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE YEARS ENDED 31 MARCH 2017

	Year ended 31-Mar-17 Audited A\$	Year ended 31-Mar-16 Audited A\$	Year ended 31-Mar-15 Audited A\$
Revenue	2,104,711	2,242,030	1,815,457
Expenses			
Salaries and wages	(1,392,450)	(1,461,488)	(1,147,609)
Finance costs	(8,869)	(11,552)	(12,384)
Operating and motor vehicle costs	(689,082)	(580,066)	(543,155)
Loss before income tax	14,311	188,924	112,310
Income tax expense	(38,961)	(48,479)	(32,176)
Loss after income tax doe the period	(24,650)	140,445	80,134
Total comprehensive loss for the period	(24,650)	140,445	80,134

Investors should note that past results are not a guarantee of future performance.

The figures shown above have been translated from the US Dollar reported figures of Pro Ag into Australian Dollars using the average annual USD:AUD for the respective years ended 31 March 2015, 2016 and 2017.

Appendix A – Historical and Pro Forma Financial Information

PROFESSIONAL AG SERVICES, INC. STATEMENT OF CASH FLOWS FOR THE THREE YEARS ENDED 31 MARCH 2017

	Year ended 31-Mar-17 Audited A\$	Year ended 31-Mar-16 Audited A\$	Year ended 31-Mar-15 Audited A\$
Cash flows from operating activities			
Receipts from customers	2,102,816	2,237,982	1,815,763
Payments to suppliers and employees (inclusive of GST)	(1,978,751)	(2,023,619)	(1,619,116)
Borrowing costs	(8,869)	(11,552)	(12,384)
Income tax paid	(38,913)	(48,922)	(32,858)
Net effect of exchange rate changes in consolidating foreign operations	2,248	(1,922)	23,895
Net cash (outflow) from operating activities	78,531	151,968	175,301
Cash flows from investing activities			
Net cash (outflow) from investing activities	-	-	-
Cash flows from financing activities			
Proceeds from borrowings	314,421	375,960	305,830
Repayment of borrowings	(381,231)	(343,819)	(319,208)
Finance lease payments	(89,935)	(113,639)	(97,435)
Dividends paid	-	(54,408)	-
Net cash inflow from financing activities	(156,745)	(135,907)	(110,813)
Net increase (decrease) in cash held	(78,214)	16,060	64,488
Cash and cash equivalents at the beginning of the period	165,702	149,642	85,154
Cash and cash equivalents at the end of the period	87,488	165,702	149,642

Investors should note that past results are not a guarantee of future performance.

The figures shown above have been translated from the US Dollar reported figures of Pro Ag into Australian Dollars using the average annual USD:AUD for the respective years ended 31 March 2015, 2016 and 2017.

Appendix A – Historical and Pro Forma Financial Information

CROPLOGIC LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	CropLogic Audited 31-Mar-17 AU\$	Pro Ag Audited 28-Apr-17 AU\$	Subsequent events Unaudited 31-Mar-17 AU\$	Pro forma adjustments minimum Unaudited 31-Mar-17 AU\$	Pro forma adjustments maximum Unaudited 31-Mar-17 AU\$	Pro forma minimum Unaudited 31-Mar-17 AU\$	Pro forma maximum Unaudited 31-Mar-17 AU\$
Assets								
Current assets								
Cash and cash equivalents	4	79,830	76,633	1,053,726	4,440,099	7,252,104	5,650,287	8,462,292
Trade and other receivables	5	30,507	25,287	-	-	-	55,794	55,794
Inventory		22,231	-	-	-	-	22,231	22,231
Total current assets		<u>132,567</u>	<u>101,920</u>	<u>1,053,726</u>	<u>4,440,099</u>	<u>7,252,104</u>	<u>5,728,312</u>	<u>8,540,317</u>
Non-current assets								
Property, plant & equipment	6	39,400	386,376	-	-	-	425,776	425,776
Intangibles	7	1,094,215	-	2,366,423	-	-	3,460,638	3,460,638
Total current assets		<u>1,133,615</u>	<u>386,376</u>	<u>2,366,423</u>	<u>-</u>	<u>-</u>	<u>3,886,414</u>	<u>3,886,414</u>
Total assets		<u>1,266,182</u>	<u>488,296</u>	<u>3,420,149</u>	<u>4,440,099</u>	<u>7,252,104</u>	<u>9,614,726</u>	<u>12,426,731</u>
Liabilities								
Current liabilities								
Trade and other payables	8	877,719	69,963	-	-	-	947,682	947,682
Borrowings	9	360,486	133,912	(301,672)	-	-	192,726	192,726
Financial liabilities	3,10	-	-	526,243	-	-	526,243	526,243
Other creditors		9,045	-	-	-	-	9,045	9,045
Total current liabilities		<u>1,247,251</u>	<u>203,875</u>	<u>224,571</u>	<u>-</u>	<u>-</u>	<u>1,675,697</u>	<u>1,675,697</u>
Non-current liabilities								
Borrowings	9	423,238	-	-	-	-	423,238	423,238
Financial liabilities	3,10	-	-	723,757	-	-	723,757	723,757
Convertible Loan	11	303,509	-	2,718,000	(3,021,509)	(3,021,509)	-	-
Total non-current liabilities		<u>726,747</u>	<u>-</u>	<u>3,441,757</u>	<u>(3,021,509)</u>	<u>(3,021,509)</u>	<u>1,146,994</u>	<u>1,146,994</u>
Total liabilities		<u>1,973,998</u>	<u>203,875</u>	<u>3,666,328</u>	<u>(3,021,509)</u>	<u>(3,021,509)</u>	<u>2,822,691</u>	<u>2,822,691</u>
Net assets		<u>(707,816)</u>	<u>284,421</u>	<u>(246,179)</u>	<u>7,461,608</u>	<u>10,273,613</u>	<u>6,792,034</u>	<u>9,604,039</u>
Equity								
Issued capital	12	4,223,284	13,092	436,758	7,569,608	10,381,613	12,242,742	15,054,747
Reserves	13	66,866	-	-	-	-	66,866	66,866
Accumulated losses	14	(4,997,966)	271,329	(682,937)	(108,000)	(108,000)	(5,517,574)	(5,517,574)
Total equity		<u>(707,816)</u>	<u>284,421</u>	<u>(246,179)</u>	<u>7,461,608</u>	<u>10,273,613</u>	<u>6,792,034</u>	<u>9,604,039</u>

Appendix A – Historical and Pro Forma Financial Information**CROPLOGIC LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION (CONT.)**

The unaudited pro forma statement of financial position represents the audited statement of financial position of the Company as at 31 March 2017 adjusted for the subsequent events and pro forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

The Pro Forma figures shown above have been translated from the New Zealand Dollar reported figures of the Company and the US Dollar reported figures of Pro Ag using the closing AUD:NZD and AUD:USD rates of 1:1.092 and 1:0.764, respectively, as at 31 March 2017.

Appendix A – Historical and Pro Forma Financial Information

1. Introduction

The financial information set out in this Appendix consists of the statement of financial position of the Company as at 31 March 2017 and the statements of comprehensive income and statements of cash flows of the Company and Pro Ag for the three years ended 31 March 2017 ("Historical Financial Information") together with a pro forma statement of financial position as at 31 March 2017, reflecting the Directors' pro forma adjustments which include the Acquisition of Pro Ag on 28 April 2017 ("Pro Forma Consolidated Historical Financial Information").

The Pro Forma Historical Financial Information has been compiled by adjusting the audited statement of financial position of the Company for the impact of the following subsequent events and pro forma adjustments.

Adjustments adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Consolidated Information has been prepared by adjusting the Historical Financial Information to reflect the financial effects of the the following subsequent events which have occurred in the period since 31 March 2017 and the date of this Report:

- (i) The acquisition of Pro Ag on 28 April 2017 for initial cash consideration of US\$800,000 and forgiveness of approximately US\$270,000 in loans ("Acquisition") with deferred consideration of US\$1,050,000 payable as follows:
 - US\$420,000 is to be paid on or before 31 January 2018, provided that such an amount will be reduced by any amount that the gross revenue of the business for the fiscal year ending 31 December 2017 is less than US\$1,400,000;
 - US\$315,000 is to be paid on or before 31 January 2019, provided that such amount will be reduced by 50% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2018 is less than US\$1,400,000; and
 - US\$315,000 is to be paid on or before 31 January 2020, provided that such amount will be reduced by 25% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2019 is less than US\$1,400,000;
- (ii) The Company raised \$2.23 million before costs, through the issue of convertible notes which will convert into 20,454,541 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price ("Pre-IPO Raising");
- (iii) The conversion of \$301,672 of short term borrowings from PowerHouse Ventures Limited into 28 convertible notes ("PowerHouse Ventures Notes") which will convert into 2,545,455 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price.
- (iv) The Company raised \$188,000 through the issue of convertible notes which will convert into 1,175,000 Shares in the Company upon successful completion of the Offer, being a 20% discount to the Offer price ("20% Convertible Notes");
- (v) The payment of cash costs related to the Pre-IPO Raising and 20% Convertible Notes offers of \$230,000;
- (vi) The issue of 908,040 promoter shares at \$0.20 each under the Pre-IPO Raising ("Promoter Shares");
- (vii) The conversion of 142,824 Redeemable Preference Shares into 142,824 ordinary shares and a share split on the basis of 282:1 resulting in the 179,408 ordinary shares on issue, after the conversion of the Redeemable Preference Shares, being split into 50,593,056 ordinary shares; and
- (viii) The exercise of 11,714 pre-IPO options into 3,303,348 ordinary shares for NZD\$292,850; and
- (ix) On 23 June 2017, the Company issued 1,125,925 Performance Rights in three classes in the following proportions: Class A (533,333), Class B (355,555) and Class C (237,037). The performance hurdles are:
 - (Class A): The Company's share price, as traded on ASX, increasing to not less than \$0.30 (calculated on a volume weighted average basis over a continuous 30 trading day period) during

Appendix A – Historical and Pro Forma Financial Information

the first 12 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).

- (Class B): The Company's share price, as traded on ASX, increasing to not less than \$0.45 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class A Performance Rights up to 24 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).
- (Class C): The Company's share price, as traded on ASX, increasing to not less than \$0.675 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class B Performance Rights up to 36 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).

and the following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- (x) Completion of the offer assuming issue of a minimum of 25,000,000 and the maximum 40,000,000 ordinary CropLogic shares at \$0.20 each to raise a minimum of \$5,000,000 up to a maximum of \$8,000,000 before costs pursuant to the Offer;
- (xi) The payment of cash costs related to the Offer estimated to be a minimum of \$599,901 and a maximum of \$747,896;
- (xii) The issue of 540,000 shares to the Managing Director and Chief Financial Officer upon completion of the Offer;
- (xiii) Conversion of the Pre-IPO Raise convertible notes into 20,454,541 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price; and
- (xiv) Conversion of PowerHouse Ventures Notes into 2,545,455 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price;
- (xv) Conversion of the 20% Convertible Notes into 1,175,000 Shares in the Company upon successful completion of the Offer, being a 20% discount to the Offer price; and
- (xvi) The issue of 1 Share at an issue price of \$0.20 ("Cleansing Offer").

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

Appendix A – Historical and Pro Forma Financial Information

2. Statement of significant accounting policies

(a) Basis of preparation

The Historical Financial Information and Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board and the Corporations Act 2001.

The Company will prepare its financial statements in accordance with IFRS in future reporting periods.

The significant accounting policies that have been adopted in the preparation and presentation of the historical and the Pro forma Historical Financial Information are:

(b) Basis of measurement

The Historical and Pro Forma Historical Financial Information has been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Functional and presentation currency

The historical and pro forma financial information has been presented in Australian dollars. The historical and pro forma financial information has been translated from New Zealand Dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(f) Business combinations

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit and loss and

Appendix A – Historical and Pro Forma Financial Information

other comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Appendix A – Historical and Pro Forma Financial Information

(f) Business combinations (cont.)

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(i) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(j) Provisions

Provisions are recognised when the Company has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(k) Share-based payment transactions

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled ("vesting period").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) The grant date fair value;
- (ii) The extent to which the vesting period has expired; and
- (iii) The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

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(l) Foreign currency translation

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

(m) Goods and services Tax

Revenues, expenses and assets are recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(n) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

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3. Business combination

	Note	Pro Ag Audited 28-Apr-17 \$	Adjustments \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Assets					
Cash and cash equivalents	4	76,633	-	76,633	76,633
Trade and other receivables	5	25,287	-	25,287	25,287
Property, plant & equipment	6	386,376	-	386,376	386,376
Intangibles	7	-	2,366,423	2,366,423	2,366,423
Total assets		488,296	2,366,423	2,854,719	2,854,719
Liabilities					
Trade and other payables	8	69,963	-	69,963	69,963
Borrowings - short term	9	133,912	-	133,912	133,912
Total liabilities		203,875	-	203,875	203,875
Net assets of Pro Ag acquired ⁽¹⁾				2,650,844	2,650,844
Cash consideration paid to vendors ⁽²⁾	1(i)			1,400,844	1,400,844
Contingent consideration liability ^(a)	1(i), 10			1,250,000	1,250,000
Total consideration				2,650,844	2,650,844

(1) Translated from US Dollars to Australian Dollars at an AUD:USD exchange rate of 1.309

(2) Cash consideration is US\$800,000 and US\$270,000 converted to Australian Dollars at an AUD:USD exchange rate of 1.309

The Acquisition has been treated as a business combination in accordance with AASB 3 *Business Combinations*. The assets and liabilities of the Acquisition (including intangible assets) have been recognised at estimated fair value. The fair value of intangible assets has been estimated on a provisional basis in accordance with paragraph 45 of AASB 3.

(a) Contingent consideration

As part of the agreement for the Acquisition, an amount of contingent consideration has been agreed. There will be additional cash payments to the previous owner of Pro Ag of up to US\$1,050,000, payable as follows:

- US\$420,000 is to be paid on or before 31 January 2018, provided that such an amount will be reduced by any amount that the gross revenue of the business for the fiscal year ending 31 December 2017 is less than US\$1,400,000;
- US\$315,000 is to be paid on or before 31 January 2019, provided that such amount will be reduced by 50% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2018 is less than US\$1,400,000; and
- US\$315,000 is to be paid on or before 31 January 2020, provided that such amount will be reduced by 25% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2019 is less than US\$1,400,000;

Based on historical performance, it was determined highly probable Pro Ag would generate gross revenue in excess of US\$1,400,000 in each of the fiscal years ending 31 December 2017, 2018 and 2019. Accordingly, that probability, when considered in combination with the time value of money, resulted in a contingent consideration liability at the Acquisition date of A\$1,250,000 (US\$954,782) associated with the Acquisition. The contingent consideration liability is due to be settled in full by 31 January 2020.

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4. Cash and cash equivalents

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Cash and cash equivalents		79,830	5,650,287	8,462,292
CropLogic cash and cash equivalents as at 31 March 2017			79,830	79,830
<i>Subsequent events are summarised as follows:</i>				
Cash and cash equivalents acquired on Acquisition (AUD)	1(i)		76,633	76,633
Cash consideration paid for Acquisition (AUD)	1(i)		(1,400,844)	(1,400,844)
Proceeds from pre-IPO raising	1(ii)		2,228,328	2,228,328
Cash costs of the pre-IPO raising	1(v)		(230,000)	(230,000)
Proceeds from issue of NZ\$10,000 convertible notes at 20% discount to IPO	1(iv)		188,000	188,000
Proceeds received from the exercise of options	1(viii)		268,242	268,242
			1,130,359	1,130,359
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>				
Proceeds from the Offer pursuant to the Prospectus	1(x)		5,000,000	8,000,000
Expenses of the Offer	1(xi)		(559,901)	(747,896)
			4,440,099	7,252,104
Pro-forma cash and cash equivalents			5,650,287	8,462,292

(1) Translated of US\$800,000 and US\$270,000 to Australian Dollars at an AUD:USD exchange rate of 1.309

(2) Translated from NZ Dollars to Australian Dollars at an AUD:NZD exchange rate of 0.916

5. Trade and other receivables

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Trade and other receivables		30,507	55,794	55,794
CropLogic receivables as at 31 March 2017			30,507	30,507
<i>Subsequent events are summarised as follows:</i>				
Receivables acquired on Acquisition (AUD)	1(i)		25,287	25,287
Pro-forma trade and other receivables			55,794	55,794

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6. Property, plant & equipment

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Property, plant & equipment		39,400	425,776	425,776
CropLogic property, plant & equipment as at 31 March 2017			39,400	39,400
<i>Subsequent events are summarised as follows:</i>				
Property, plant & equipment acquired on Acquisition (AUD)	1(i)		386,376	386,376
Pro-forma property, plant & equipment			425,776	425,776

7. Intangible assets

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Intangibles		1,094,215	3,460,638	3,460,638
CropLogic intangibles as at 31 March 2017			1,094,215	1,094,215
<i>Subsequent events are summarised as follows:</i>				
Intangible assets recognised on the Acquisition (AUD)	1(i)		2,366,423	2,366,423
Pro-forma intangibles			3,460,638	3,460,638

8. Trade and other payables

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Trade and other payables		877,719	947,682	947,682
CropLogic payables as at 31 March 2017			877,719	877,719
<i>Subsequent events are summarised as follows:</i>				
Payables acquired on Acquisition (AUD)	1(i)		69,963	69,963
Pro-forma trade and other payables			947,682	947,682

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9. Borrowings

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Current borrowings		360,486	192,726	192,726
CropLogic current borrowings as at 31 March 2017			360,486	360,486
<i>Subsequent events are summarised as follows:</i>				
Borrowings acquired on Acquisition (AUD)	1(i)		133,912	133,912
Reclassification of borrowings to convertible loans	1(iii)		(301,672)	(301,672)
Pro-forma current borrowings			192,726	192,726
CropLogic non-current borrowings as at 31 March 2017		423,238	423,238	423,238
Pro-forma non-current borrowings			423,238	423,238

The non-current loan outstanding is payable to Callaghan Innovation and accrues interest daily at a rate of 3% per annum. Any unpaid interest shall be capitalised and become part of the loan.

10. Financial liabilities

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Financial liabilities		-	1,250,000	1,250,000
CropLogic financial liabilities as at 31 March 2017			-	-
<i>Subsequent events are summarised as follows:</i>				
Current portion of contingent consideration recognised on the Acquisition	1(i), 3		526,244	526,244
Non-current portion of contingent consideration recognised on the Acquisition	1(i), 3		723,757	723,757
Pro-forma financial liabilities			1,250,000	1,250,000

The contingent consideration results from the Acquisition, which has been treated as a business combination in accordance with AASB 3 *Business Combinations*. The contingent consideration has been recognised at estimated fair value. The fair value of the contingent consideration has been estimated on a provisional basis in accordance with paragraph 45 of AASB 3.

Appendix A – Historical and Pro Forma Financial Information

11. Convertible loans

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Convertible Notes		303,509	-	-
CropLogic Convertible Notes as at 31 March 2017			303,509	303,509
<i>Subsequent events are summarised as follows:</i>				
Convertible notes issued in the Pre-IPO Raising	1(ii)		2,228,328	2,228,328
Issue 20% Convertible Notes	1(iv)		188,000	188,000
Conversion of short term borrowings from PowerHouse Ventures to 28 convertible notes	1(iii)		301,672	301,672
			2,718,000	2,718,000
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>				
Conversion of Pre-IPO Raising convertible notes	1(xiii)		(2,228,328)	(2,228,328)
Conversion 20% Convertible Notes	1(xiv)		(491,509)	(491,509)
Conversion of short term borrowings from to 28 Convertible notes by PowerHouse Ventures	1(xiv)		(301,672)	(301,672)
			(3,021,509)	(3,021,509)
Pro-forma convertible notes			-	-

Appendix A – Historical and Pro Forma Financial Information

12. Issued Capital

	Note	Number of shares (Min.)	Pro forma Min \$	Number of shares (Max.)	Pro forma Max \$
Ordinary share capital		36,584	952,722	36,584	952,722
Redeemable Preference Shares		142,824	3,270,562	142,824	3,270,562
CropLogic issued share capital as at 31 March 2017		179,408	4,223,284	179,408	4,223,284
<i>Subsequent events are summarised as follows:</i>					
Share split of 36,584 ordinary shares at 282:1	1(vii)	10,137,280	-	10,137,280	-
Conversion of 142,824 Redeemable Preference Shares to ordinary shares and share split at 282:1	1(vii)	40,276,368	-	40,276,368	-
Issued share capital as at 31 March 2017 post share split		50,593,056	4,223,284	50,593,056	4,223,284
Promoter Shares associated with the pre-IPO raising	1(vi)	908,040	181,608	908,040	181,608
Proceeds received from the conversion of options	1(viii)	3,303,348	268,242	3,303,348	268,242
		4,211,388	449,850	4,211,388	449,850
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>					
Conversion of Pre-IPO Raising convertible notes	1(xiii)	20,454,541	2,228,328	20,454,541	2,228,328
Conversion of PowerHouse Ventures Notes	1(xiv)	2,545,455	301,672	2,545,455	301,672
Conversion of 20% Convertible Notes	1(xv)	1,175,000	491,509	1,175,000	491,509
Fully paid ordinary shares issued at \$0.20 pursuant to this Prospectus	1(x)	25,000,000	5,000,000	40,000,000	8,000,000
Cash costs associated with the share issue pursuant to this Prospectus	1(xi)	-	(559,901)	-	(747,896)
Issue of shares to the Managing Director and Chief Financial Officer	1(xii)	540,000	108,000	540,000	108,000
Issue of 1 share under the Cleansing Offer	1(xvi)	1	-	1	-
		49,714,997	7,569,608	64,714,997	10,381,613
Pro-forma issued share capital		104,519,441	12,242,742	119,519,441	15,054,747

13. Reserves

	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Reserves	66,866	66,866	66,866
Pro-forma reserves		66,866	66,866

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13. Reserves (cont.)

(a) Management Performance Rights

On 23 June 2017, the Company issued 1,125,925 Performance Rights in three classes in the following proportions: Class A (533,333), Class B (355,555) and Class C (237,037). The performance hurdles are:

- **(Class A):** The Company's share price, as traded on ASX, increasing to not less than \$0.30 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the first 12 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).
- **(Class B):** The Company's share price, as traded on ASX, increasing to not less than \$0.45 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class A Performance Rights up to 24 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).
- **(Class C):** The Company's share price, as traded on ASX, increasing to not less than \$0.675 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class B Performance Rights up to 36 months following the commencement of official quotation of the Company's shares on ASX (Performance Hurdle).

The Performance Rights have not been recognised in the Subsequent Events or Pro Forma Adjustments as the cost of the Options will be recognised over the relevant vesting periods of each class of Performance Rights.

The terms and conditions for Performance Rights and the Performance Rights Plan are set out in Sections 3.26 and 10.6 of the Prospectus.

14. Accumulated Losses

	Note	Audited 31-Mar-17 \$	Pro-forma Min. Unaudited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Accumulated losses		(4,997,966)	(5,517,574)	(5,517,574)
CropLogic accumulated losses as at 31 March 2017			(4,997,966)	(4,997,966)
<i>Subsequent events are summarised as follows:</i>				
Promoter Shares associated with the pre-IPO raising	1(vi)		(181,608)	(181,608)
Cash costs of the Pre-IPO Raising and 20% Convertible Notes	1(v)		(230,000)	(230,000)
			(411,608)	(411,608)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>				
Shares issued to the Managing Director and Chief Financial Officer	1(xii)		(108,000)	(108,000)
Pro-forma accumulated losses			(5,517,574)	(5,517,574)

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15. Related party disclosure

The Directors of CropLogic are John Beattie, James Cairns, Stephen Hampson, Peter Roborgh and Steven Wakefield. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 7.2 of the Prospectus.

16. Capital commitments

The Company has a commitment to pay The New Zealand Institute for Plant and Food Research Limited NZ\$383,000 (A\$350,828) by 31 August 2017 in relation to the Licence Agreement between The New Zealand Institute for Plant and Food Research Limited. Further details on this agreement are set out in Section 9.7 of the Prospectus.

17. Contingent liabilities

During the 2017 financial year, CropLogic received NZ\$140,000 (\$A128,240) from the Inland Revenue under the new Research and Development Tax Losses "Cash Out" scheme. This amount is required to be repaid only if any of the following circumstances occur;

- Disposal or transfer of Research & Development assets unless as part of an amalgamation, or for at least market value creating assessable income for tax purposes;
- CropLogic ceases to be a New Zealand tax resident or becomes a tax resident in a foreign country under a double tax agreement;
- a liquidator is appointed; or
- more than 90% of the company is sold or transferred after the cash is received.

The Group has no other pro forma contingent liabilities as at 31 March 2017.

07

Section 07. Board, Management & Interests

7.1 Directors and key personnel

The Board of the Company consists of:

- (a) **Mr John Beattie**
LLB, MAICD
Non-Executive Chairman;
- (b) **Mr James Cairns**
B.Sc, MBA
Managing Director;
- (c) **Dr Stephen Hampson**
BE(Hons), PhD
Non-Executive Director;
- (d) **Mr Peter Roborgh**
B.Sc, MSc(Hons)
Non-Executive Director;
- and
- (e) **Mr Steven Wakefield**
B.Com, B.Sc, FCA, C.M.Inst.D
Non-Executive Director.

Other senior management positions held by the Company are Mr James Cooper-Jones appointed as Chief Financial Officer and Company Secretary, Mr Matthew Journée appointed as Chief Operating Officer and Dr David Rankin appointed as Chief Technology Officer.

The biographies for the Directors and other senior management are contained in Section 3.24.

The Company is aware of the need to have sufficient management to properly supervise the operations in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's operations requires an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's operations.

7.2 Disclosure of Interests

Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Performance Rights
John Beattie	Nil	Nil	Nil
James Cairns ¹	Nil	2	703,703
Stephen Hampson ²	73,602	Nil	Nil
Peter Roborgh	3,384,000	Nil	Nil
Steven Wakefield ³	5,226,306	5	Nil

1. The Convertible Notes have a face value of \$10,000 and will together convert into 181,818 Shares automatically on completion of the Public Offer. The Performance Rights comprise 333,333 in Class A, 222,222 in Class B and 148,148 in Class C.

2. Interests are held indirectly via Dr Hampson's shareholding in Powerhouse No.2 Nominee Limited (New Zealand Company No. 4477358).

3. The Convertible Notes have a face value of \$10,000 and will together convert into 454,545 Shares automatically on completion of the Public Offer. Interests are held indirectly via Innovative Software Limited (New Zealand Company No. 4453938) (an entity controlled by Steven Wakefield).

Following the successful completion of the Public Offer, the Directors will have relevant interests in Securities as follows:

Director	Shares	Options	Performance Rights
John Beattie	Nil	Nil	Nil
James Cairns ¹	481,818	Nil	703,703
Stephen Hampson ²	73,602	Nil	Nil
Peter Roborgh	3,384,000	Nil	Nil
Steven Wakefield ³	5,680,851	Nil	Nil

1. The Performance Rights comprise 333,333 in Class A, 222,222 in Class B and 148,148 in Class C. The Shares include those issued pursuant to the Convertible Notes referred above, as well as Shares to be issued pursuant to an entitlement under his individual employment agreement discussed at Section 9.9.

2. Interests are held indirectly via Dr Hampson's shareholding in Powerhouse Nominee No. 2 Limited (New Zealand Company No. 4477358).

3. Interests are held indirectly via Innovative Software Limited (New Zealand Company No. 4453938) (an entity controlled by Steven Wakefield).

Remuneration

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 31 March 2016	Remuneration for the year ended 31 March 2017	Proposed remuneration for year ended 31 March 2018
John Beattie ¹	\$5,625	\$37,500	\$50,000
James Cairns ²	NZ\$205,000	NZ\$205,000	AUD\$250,000
Stephen Hampson ³	\$Nil	\$Nil	\$25,000
Peter Roborgh ⁴	\$Nil	\$Nil	\$25,000
Steven Wakefield ⁵	\$Nil	\$Nil	\$25,000

1. Appointed on 1 January 2016.

2. Appointed as Chief Executive Officer on 23 February 2016 and Managing Director on 24 May 2017.

3. Appointed on 4 October 2013.

4. Appointed on 2 November 2010.

5. Appointed on 27 August 2013.

The Company's Constitution provides that the Board may, subject to the ASX Listing Rules, authorise the payment of remuneration or the provision of other benefits by the Company to a Director for services as a director or in any other capacity if the Board is satisfied that to do so is fair to the Company. The Board must ensure that the particulars of the payment or benefit are entered in the Company's interests register.

The Board may also authorise special remuneration to any Director who is or has been engaged by the Company to carry out work or perform any services which is not in the capacity as a director of the Company or a related company.

A Director may also be reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director without requiring approval of Shareholders.

The aggregate remuneration for Non-Executive Directors is \$250,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

7.3 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into appointment letters with each of its Directors. The Board determines the level of remuneration paid to the non-executive Directors within any limitations imposed by Shareholders. The proposed remuneration for the year ending 31 March 2018 is set out in Section 7.2. Appointments are contingent

on re-election at applicable annual general meetings and on the appointment not otherwise terminating in accordance with the Company's constitution.

The Company has also entered into an individual employment agreement with its Managing Director, James Cairns. Refer to the summary set out in Section 9.9.

7.4 Agreements with Other Management

The Company has also entered individual employment agreements with each of its other senior management personnel (Chief Operating Officer – Matthew Journée, Chief Technology Officer – Dr Dave Rankin). The Board considers these to be on ordinary commercial terms for positions of this nature based on the Company's current position.

A summary of the agreement with the Chief Financial Officer and Company Secretary, James Cooper-Jones is set out in Section 9.9.

7.5 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Companies Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to allow the officers to inspect board documents in certain circumstances. In accordance with the Constitution, the Company may, with the prior written approval of the Board, effect insurance for the benefit of the relevant officer.

08

Section 08. Corporate Governance

8.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.croplogic.com).

8.2 Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Managing Director or Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

8.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

As at the date of this Prospectus and on completion of the Public Offer, the Board will consist of five Directors (four of whom will be Non-Executive Directors) of whom three are considered independent, being Mr Beattie, Mr Roborgh and Mr Wakefield. The Board considers the proposed balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

8.4 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

8.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

8.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

8.7 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors was initially set by special resolution of the Shareholders and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Companies Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other benefits (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be reimbursed for reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Remuneration and Nominations Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

8.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

8.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

8.10 Finance Audit and Risk Committee

The Company will not have a separate finance, audit and risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

8.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

Set out below is disclosure of the extent to which the Company does not intend, as at the date the Company's securities are admitted to official quotation on the ASX following completion of the Public Offer, to follow the Recommendations with reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the Recommendation.

Recommendations	Explanation
Principle 1: Lay solid foundations for management and oversight	
<p>Recommendation 1.5(c)</p> <p>A listed entity should disclose as at the end of each reporting period:</p> <ul style="list-style-type: none"> (i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. 	<p>The Board does not presently intend to set measurable gender diversity objectives because:</p> <ul style="list-style-type: none"> ▶ the Board does not anticipate there will be a need to appoint any new Directors or senior executives due to, in the Board's view, the existing Directors and senior executives having sufficient skill and experience to carry out the Company's current plans; and ▶ if it becomes necessary to appoint any new Directors or senior executives, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles will, given the size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit: and ▶ the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report.

09

Section 09. Material Contracts

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.]

9.1 Lead Manager Mandate

Refer to the summary set out in Section 2.6.

9.2 Asset Sale Agreement – ProAg

The Company's wholly owned subsidiary, ProAg CropLogic LLC (**ProAg**) entered into an asset purchase agreement (**Asset Purchase Agreement**) with Professional Ag Services, Inc. (an entity incorporated in Washington) (**Seller**) and Messrs Michael Stephenson and Roger McCary (together, the **Founders**) dated 10 April 2017 pursuant to which:

(a) **Acquisition of Assets:** ProAg has acquired all of the assets which are used in the Seller's agricultural consulting business and the Seller's accounts receivable at closing (**Assets**).

(b) **Acquisition of Founders' Intangible Assets:** ProAg has acquired all of the personal, specialised training and experience possessed by the Founders and the intangible assets of the Founders (including, reputation, goodwill, continuing business relationships and customer loyalty) in the area of agricultural consulting in the states of Washington, Oregon and Idaho and throughout the United States (**Founders Intangibles**).

(c) **Purchase Price:** In consideration for the acquisition of the Assets, ProAg agreed to pay the Seller an aggregate of USD\$580,000 and in consideration for the acquisition of the Founders Intangibles, ProAg agreed to pay each of the Founders an aggregate of USD\$635,000, being a total consideration of USD\$1,850,000 which is payable as follows:

- (i) USD\$50,000 was paid by ProAg to each of the Founders on execution of the Asset Purchase Agreement;
- (ii) USD\$543,587 was paid by ProAg to the Seller and the Founders on 28 April 2017;
- (iii) USD\$420,000 is to be paid by ProAg to the Seller and the Founders on or before 31 January 2018 (in the proportions set out in the Asset Purchase Agreement), provided that such an amount will be reduced by any amount that the gross revenue of the business for the fiscal year ending 31 December 2017 is less than USD\$1,400,000;
- (iv) USD\$315,000 is to be paid to the Seller and the Founders on or before 31 January 2019 (in the proportions set out in the Asset Purchase Agreement), provided that such amount will be reduced by 50% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2018 is less than USD\$1,400,000; and

- (v) USD\$315,000 is to be paid to the Seller and the Founders on or before 31 January 2020 (in the proportions set out in the Asset Purchase Agreement), provided that such amount will be reduced by 25% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2019 is less than USD\$1,400,000,

(together, the **Purchase Price**).

In the event that the full potential amounts were not paid in any year pursuant to paragraphs (iii), (iv), (v) above for failure to achieve USD\$1,400,000 in gross revenue for each such year and the aggregate for all three years exceeds USD\$4,200,000, ProAg shall pay to the Seller and the Founders on or before 31 January 2020, the difference between \$1,050,000 and the amount previously paid.

(d) **Non-completion and Non-solicitation:** for a period of 5 years from 1 June 2017, the Seller and Founders are subject to non-compete and non-solicitation provisions in respect of the business of providing agricultural consulting, products or technology in Washington state, Oregon, Idaho and California, USA on the terms set out in the Asset Purchase Agreement.

The Asset Purchase Agreement is governed by the laws of the State of Washington.

9.3 Security Agreement - ProAg

Pursuant to the Asset Purchase Agreement, ProAg has entered into a security agreement with the Seller and the Founders (together, the Secured Party) dated 30 April 2017 in relation to equipment, vehicles and other personal property (together, the **Personal Property**) acquired by ProAg under the Asset Purchase Agreement (**Security Agreement**).

(a) **Security interest:** Pursuant to the Security Agreement, a security interest is created in favour of the Secured Party in relation to the Personal Property. The security interest:

- (i) is over all Personal Property including all tangible property used or useable in the ownership, management, marketing or operation of the business, including (without limitation) all licenses, franchises, certifications, authorisations, approvals and permits issued by a government authority (**Collateral**);
- (ii) is for the prompt payment by ProAg of the Purchase Price payable under the Asset Purchase Agreement and performance of obligations under the employment contracts and lease; and
- (iii) does not prevent ProAg from using or disposing the Collateral in the ordinary course of business provided that the proceeds, replacements or substitutes of the assets will be deemed to be Collateral.

(b) **Collateral:** The Collateral is to be held by ProAg unless:

- (i) the Secured Party delivers a cross default termination notice;
- (ii) ProAg beings to appoint a receiver, trustee or similar the its property;

- (iii) ProAg assigns any of its assets for benefit of creditors;
- (iv) ProAg files or is served with petition for relief;
- (v) any Collateral is attached to a court or legal process;
- (vi) ProAg is unable to pay its debts as they become due, and admits this in writing; or
- (vii) a court begins to appoint a receiver, trustee or similar over ProAg's assets.

(c) Rights of Secured Party: The Secured Party has the right to:

- (i) demand that ProAg execute, file and record any instrument to create, continue or perfect the security interest or enable the Secured Party to exercise or enforce its rights under the Security Agreement;
- (ii) as power of attorney, execute financing statements, continuation statements or other documents under the Washington Uniform Commercial Code over the Collateral, in ProAg's name as debtor; and
- (iii) as power of attorney, to correct and complete any financing statements, continuation statements or other documents signed by ProAg or by the Secured Party on behalf of ProAg.

(d) Assignment: ProAg is unable to transfer any rights, duties or obligations under the Security Agreement without the prior written consent of the Secured Party.

(e) Termination: The Security Agreement will terminate when ProAg has satisfied its obligations under the Security Agreement. Upon termination, the Secured Party will deliver to ProAg any instruments to release the Secured Party's interest in the Collateral.

The Security Agreement is governed by the laws of the State of Washington.

9.4 Executive Agreements - ProAg

ProAg has entered into employment agreements with Mr Michael Stephenson dated 28 April 2017 and Mr Roger McCary dated 28 April 2017 pursuant to which Messrs Stephenson and McCary are engaged as executives of ProAg (**Executive Employment Agreements**).

The material terms of the Executive Employment Agreements are as follows:

- (a) Term:** the term of the employment of Messrs Stephenson and McCary is three years commencing on 28 April 2017;
- (b) Remuneration:** Mr Stephenson and Mr McCary will be paid a base salary of USD\$150,000 each per annum. Mr Stephenson and Mr McCary are also entitled to performance based remuneration of up to USD\$25,000 for the fiscal year ending 31 December 2017, USD\$75,000 for the fiscal year ending 1 December 2018 and USD\$75,000 for the fiscal year ending 1 December 2019, subject to the achievement of certain performance targets; and

(c) Termination: If the employment of either Mr Stephenson or Mr McCary is terminated by ProAg without cause, Messrs Stephenson and McCary will be entitled to a severance payment that is equal to the base salary from the date of termination until the end of the term of their employment and Messrs Stephenson and McCary will be eligible to receive the performance based remuneration set out above, subject to:

- (i) completion of such transitional duties as the board of ProAg may assign;
- (ii) execution of a release of claims in favour of ProAg; and
- (iii) the executives being in strict compliance with the terms of the Executive Employment Agreements.

The Executive Employment Agreements are governed by the laws of the State of Washington and otherwise contain clauses considered standard for agreements for their nature.

9.5 Agreement for a Pre-Incubation Loan and Repayable Loan between Callaghan Innovation (Callaghan), Powerhouse Ventures Limited (PVL) and the Company dated 20 February 2015

Under this agreement, Callaghan agrees to provide a repayable loan to the Company for the purposes of assisting the Company to speed up its path to market given its high growth potential. PVL is also a party to the agreement, acting as the incubator. The loan amount is paid to PVL who holds the funds on trust for the Company. The agreement includes an obligation upon PVL to co-fund at a rate of 1:3 by way of an equity investment in the Company (and such co-funding amounts cannot be funded from central government sources). No pre-incubation loan is provided under the agreement.

The total loan amount from Callaghan is NZ\$450,000, which was payable to PVL (as incubator) in instalments as follows:

- (a)** NZ\$180,000 on or about 20 February 2015, with co-funding from PVL of NZ\$60,000 on the same date; and
- (b)** NZ\$270,000 on or about 31 March 2015, with co-funding from PVL of NZ\$90,000 on the same date.

PVL and the Company must ensure that, the loan amount is used solely for the purpose of undertaking the research and development project in relation to high resolution aerial image analysis (**Project**). In addition, the loan must not be used as part of co-funding for any business research, a maximum of 25% of the loan may be used for research and development in relation to the Project, a maximum of 15% of the loan may be used for fees paid to PVL (other than for specialist expertise) and where the loan amount is used to pay salaries of those involved in the Project, the salaries must be consistent with market remuneration. The co-funding from PVL must also only be used specifically to undertake and meet the costs of the Project.

Interest accrues on the loan at a rate of 3% per annum. Upon a liquidation of the Company, the loan is subordinate to the obligations of the Company to other creditors (but not to any obligations to pay any dividends or Share redemption payments or other payments to Shareholders in relation to their shareholding).

The loan is repayable by an amount equal to 3% of the Company's revenue each year based on its audited accounts. Repayments will go towards interest first and any unpaid interest in that year (due to the interest amount being higher than the repayment amount) will be capitalised. The Company has the ability to elect to repay early. Whilst there is no end date for repayment, the loan and interest may become immediately repayable upon termination of the agreement.

Throughout the term of the agreement, the Company must comply with a number of reporting obligations, including an obligation to notify Callaghan of any significant issues or risks which relate to the Project as they arise (including for example changes that may reduce the benefit to New Zealand), quarterly and annual reports, an assessment report two years into the term, a report upon completion of the Project, and an Alumni report which occurs each year for the first five years following the completion of the Project. The Company must also meet with Callaghan at least every three months to discuss the Project.

The agreement also includes general obligations upon the Company and PVL to pursue the anticipated outcomes of the Project (among other matters). Throughout the term of the agreement the Company must have one New Zealand resident director, ensure all ownership of IP in the project remains in New Zealand, ensure the majority of employees/contractors involved in the Project are based in New Zealand and either be incorporated in New Zealand, have its centre of management based in New Zealand or have its head office in New Zealand.

The agreement includes a regime around "Change Events", being where a party receives new information or an event occurs or is likely to occur that materially affects or is likely to materially affect the agreement or the Project (including, for example, a change to the Company's or PVL's ownership or assets which materially affects the anticipated benefits to New Zealand of the Project). If a Change Event occurs, the parties must notify each other and work to resolve the issue. Callaghan may suspend payment of the loan if it reasonably considers that the Company or PVL's ability to carry out the Project is adversely affected. If the issue cannot be resolved then either party may terminate the agreement.

Callaghan also has the ability to terminate the agreement (and demand immediate repayment of all amounts owing) for reasons including:

- (a) if the funding allocated to Callaghan is reprioritised or reduced (including due to alteration of the Government appropriation);
- (b) if the Company or PVL has provided any misleading or inaccurate information, uses the loan amount other than as permitted by the agreement or enters an arrangement which materially reduces the benefits of the Project to New Zealand;
- (c) if PVL does not provide the required co-funding;
- (d) if the Company breaches certain provisions of the agreement or is presumed to be insolvent; or

- (e) for any reason following the provision of the "assessment report" two years into the term of the agreement (with such due date having been extended to 31 December 2017).

The Company and PVL warrant that they have not entered into contracts or negotiations in respect of the Project other than as disclosed to Callaghan, and they (jointly and severally) indemnify Callaghan against any loss, brought or threatened against or incurred by Callaghan, except to the extent that the loss was caused by an act or omission of Callaghan.

The agreement is governed by the laws of New Zealand.

9.6 Licence Agreement between The New Zealand Institute for Plant and Food Research Limited (PFR) and the Company dated 8 November 2010 as amended by variation dated 20 June 2017

Pursuant to the agreement, PFR grants the Company a worldwide exclusive right and licence to use certain intellectual property for the use, sub-licence, promotion, marketing, distribution, modification and support of the CropLogic Potato Calculator as a decision support system for the potato cropping industry. The relevant intellectual property includes the Potato Model, the Soil Model, a patent for "System and method for managing and predicting crop performance" registered in New Zealand, the USA and applications for patents in Canada and the European Patent Office. Where the Potato Model and the Soil Model are taken to mean the algorithms and formulas embedded in the CropLogic Potato Calculator which, at the date of signing Licence Agreement on 8 November 2010, included the specific model with formula and coefficients relevant to potato and a more general model with formula and coefficients relevant to soil. (CLI reference for SP: taken from Licence Agreement defined terms "Model").

The Company is obliged to pay royalties in consideration of the licence at an amount equal to 3% of its annual net sales. However, no royalties become due or payable unless the "Royalty Trigger" has been reached, being net sales of NZ\$2 million in any financial year or a pro-rata amount for any part financial year at the start or end of the term. The royalty payment obligations also cease if PFR makes a final decision to cease all research and activity in the field of crop modelling and other areas of modelling relevant to crops. Pursuant to the 2017 variation, the parties have agreed that the "Royalty Trigger" will cease to apply from 8 November 2021 such that royalties will be payable for the balance of the term on all net sales regardless of the total amount.

The term of the agreement has been extended by the 2017 variation from 11 years to 17 years, and will expire on 7 November 2027. Following the expiry of the term (and provided the agreement has not been terminated earlier by either party), the agreement will automatically renew on a non-exclusive basis in perpetuity on the same terms and conditions of the agreement, but no further royalties will be payable in respect of that renewed term.

The Company has a number of performance obligations under the agreement including to use reasonable efforts at all times to market, promote, distribute and support the Potato Calculator and to maximise royalties.

The licence is exclusive and PFR will not, without the Company's prior written consent grant any licence to any third party for use of the intellectual property in the licensed field. Notwithstanding the Company's exclusive use of the intellectual property, PFR may use the model to conduct research modelling and develop, market, promote, distribute, or support decision support tools for the cropping industry.

All intellectual property licenced pursuant to the agreement is owned by PFR. The agreement originally contemplated that PFR would own all improvements in the intellectual property, however PFR has waived its ownership rights to these improvements in the 2017 variation on the condition that the waiver only applies to the extent the improvements are specific to the Potato and Soil Models licensed to the Company and the licence is not terminated by "the Licensor". The Company must provide copies of the improvements to PFR upon request so it may have the benefit of them for research purposes (and PFR will use reasonable endeavours to respect any commercial sensitivities).

PFR warrants that it has sufficient title to the rights in the licensed intellectual property to grant the licence and that to the best of its knowledge the licensed intellectual property does not infringe any third party intellectual property rights. However, these warranties are subject to any matters disclosed and PFR's liability under these warranties (along with those given under a related Business Sale Agreement and Subscription and Shareholder Agreement) is limited to NZ\$50,000. The agreement also provides for a process for dealing with any alleged third party infringement.

The Company is not permitted to sub-licence the marketing, sale or distribution of the Potato Calculator or the licenced intellectual property without PFR's consent (not to be unreasonably withheld), however under the 2017 variation, PFR acknowledges that the Company's business model has evolved such that licencing is more common than direct sales and PFR consents to this based on certain conditions, including an agreement to meet and review royalties in two years.

Either party may terminate the agreement immediately by giving notice to the other party if the licensed intellectual property is invalidated by a court or relevant authority or if the other party:

- (a) commits a material breach of the agreement and fails to remedy that breach within 20 working days of notice;
- (b) fails to pay any amount owed under the agreement within 20 working days from the due date of such payment after notice in writing from the other party;
- (c) voluntarily ceases business, goes into liquidation, is subject to statutory management or enters into a scheme of arrangement or compromise with creditors; or
- (d) purports to assign any of the rights or obligations without consent pursuant to the agreement.

If the agreement is terminated due to the events above, PFR may demand the return or destruction of all confidential information and licensed intellectual property supplied by PFR. If the agreement is terminated by the Company, the Company will have a non-terminable, world-wide, non-exclusive, perpetual, royalty-free licence to use the licensed property in the licensed field.

The Company indemnifies PFR against any direct loss, costs, claim and damages and other liability resulting from or arising in connection with the Company's breach, act or omission, except to the extent that such loss, cost, claim, damage, liability or proceeding is attributable to an act or omission of PFR.

The agreement is governed by laws of New Zealand.

9.7 Licence Agreement between The New Zealand Institute for Plant and Food Research Limited and the Company dated 31 May 2016 as amended by two variations each dated 20 June 2017

Under the agreement, PFR grants the Company a licence to use the licenced intellectual property, being the patent for "System and Method for Managing and Predicting Crop Performance" registered in United States of America (USA), with patent number 8,671,006 (Patent). The Company is licensed to use such intellectual property in the cropping industries of cotton, soybean, maize and wheat within the USA. The rights contained in this licence are in addition to the rights in the licence entered into in 2010 (discussed at Section 9.6 above).

In consideration for grant of the licence, the Company agreed to pay a licence fee in three non-refundable tranches:

- (a) NZ\$77,000 on or before 30 June 2016;
- (b) NZ\$230,000 five days after lodgement of funds from the Company's pre-IPO capital raise (anticipated to be 30 September 2016) or before; and
- (c) NZ\$153,000 five days after lodgement of funds from the Company's IPO capital raise (anticipated to conclude 31 March 2017) or before,

with the whole of all three tranches to be paid by 5.00pm on 30 June 2017.

However, in the 2017 variation the parties have agreed that the second and third tranche will both be due and payable in one payment of NZ\$383,000 (plus interest at 3% per annum) on 31 August 2017 (or sooner if the IPO funds are received before then). Failure to make this final payment will result in a breach of the agreement and the licence will terminate immediately. Failure to make payment will also allow PFR to cancel the 2017 variations made to the other licence between the Company and PFR as described above. The interest rate on the outstanding payment also increases to 8% from 31 August 2017.

The agreement is to remain in force for the life of the Patent, unless terminated earlier by agreement or in accordance with the terms of the agreement. The Company is entitled to sub-licence its rights.

The agreement provides the use of the intellectual property to the Company on an exclusive basis and PFR will not, without the Company's prior written consent grant any licence to any third party for use of the intellectual property. Given PFR has developed technologies with input from industry and government agencies, the Company grants PFR a no-cost, irrevocable, non-terminable, sub licensable sub-licence in respect of any agricultural crops grown with the assistance of the licensed intellectual property, where:

- (a) such crops are grown in New Zealand and are subsequently exported into the USA; or
- (b) services are provided within New Zealand that have utilised the licenced intellectual property; or
- (c) PFR is conducting research modelling or providing educational advice in using such models in the ordinary course of business.

All intellectual property licenced pursuant to the agreement is owned by PFR. The agreement originally contemplated that PFR would own all improvements in the intellectual property, even after the expiry of the agreement, however PFR has waived its ownership rights to these improvements in the 2017 variation on the condition that the waiver only applies to the extent the improvements are specific to the Potato and Soil Models licensed to the Company and the licence is not terminated by the "the Licensor". The Company must provide copies of the improvements to PFR upon request so it may have the benefit of them for research purposes (and PFR will use reasonable endeavours to respect any commercial sensitivities).

PFR must maintain the registration of the Patent (but is not required to defend it from challenge) and the agreement provides for a process for dealing with any alleged third party infringement.

Either party may terminate the agreement immediately by giving notice to the other party if the licensed intellectual property is invalidated by a court or relevant authority or if the other party:

- (a) commits a material breach of the agreement and fails to remedy that breach within 20 working days of notice;
- (b) fails to pay any amount owed under the agreement within 20 working days from the due date of such payment after notice in writing from the other party; or
- (c) voluntarily ceases business, goes into liquidation, is subject to statutory management or enters into a scheme of arrangement or compromise with creditors.

If the agreement is terminated due to the events above, PFR may demand the return or destruction of all confidential information and licensed intellectual property supplied by PFR. If the agreement is terminated by the Company, then provided the licence fee has been paid in full, the Company will have a non-terminable, world-wide, non-exclusive, perpetual, royalty-free licence to use the licensed property in the licensed field.

The Company indemnifies PFR against any direct loss, costs, claim and damages and other liability resulting from or arising in connection with the Company's breach, acts or omissions or any proceeding suffered by PFR in relation to the use or commercial development of the licensed intellectual property, except to the extent that such loss, cost, claim, damage, liability or proceeding is attributable to the wilful default, breach of warranty or act or omission of PFR.

PFR warrants that it is the registered owner of the licensed intellectual property, has sufficient title to the rights in the licensed intellectual property to grant the licence and that to the best of its knowledge the licensed intellectual property does not infringe any

third party intellectual property rights. However these warranties are subject to any matters disclosed to or known by the Company and PFR's liability under the agreement is limited to actual loss suffered by the Company as a direct result of PFR's wilful default, and limited to the amount of licence fee paid by the Company.

The agreement is governed by laws of New Zealand.

9.8 Research Co-Operation Agreement between The New Zealand Institute for Plant and Food Research Limited (PFR) and the Company dated 8 November 2010

The agreement provides that where PFR develops improvements or modifications to the intellectual property that the Company has licensed from PFR (pursuant to the licence agreement discussed at Section 9.7 above (Licence)) as part of the PFR Project entitled "Land Use Change and Intensification" and as funded by the Foundation for Research, Science and Technology, then PFR must (to the extent legally permissible) offer the Company the first right to market, promote, distribute and support such improvements (to the extent such improvement is not already covered by the Licence). The first right of refusal applies to improvements to existing intellectual property as well as new or replacement technology for the licensed intellectual property.

If the Company identifies an opportunity to commercialise the intellectual property that is the subject of the Licence in a manner not currently permitted by the Licence, then the Company may request for PFR to offer it the first right to do so.

Where the Company requires further scientific research to be carried out in relation to the technology licensed to the Company under the Licence, the Company is required to first offer the research opportunity to PFR in accordance with the agreement.

The Company acknowledges that PFR has obligations to publish research, but will use reasonable endeavours to limit and protect commercially valuable information relating to the Company before publication.

In the event that PFR seeks to dispose of the licensed intellectual property, whether by sale, lapse of registration or otherwise, a first right of refusal to purchase or otherwise acquire the rights is granted to the Company.

The agreement is governed by the laws of New Zealand and its term runs concurrently with the Licence.

9.9 Executives Contract of Services Agreements

A summary of the key terms of the individual employment agreements entered into by the Company with the Managing Director and Chief Financial Officer are set out below.

Name & Title	Key Term	Explanation
James Hugh Cameron Cairns Managing Director	Commencement Date	1 June 2017
	Contract Term	The Individual Employment Agreement continues indefinitely until terminated by either party.
	Base Annual Salary	AUD \$250,000.00 per annum, reviewed annually.
	Direct Line of Report	Board of Directors.
	Location	Christchurch, New Zealand.
	Short Term Incentive	20% of Base Annual Salary per annum paid in cash (or subject to the approval of the Board, by allocation of Performance Rights). Entitlement based upon achievement of key performance indicators (KPIs) as determined by the Board in writing, set annually by the Board each year for the first three (3) years following the Public Offer.
	Long Term Incentive	40% of Base Annual Salary per annum paid in Performance Rights converted at the Conversion Share Price, and vesting on the first day of the following twelve (12) month period. Entitlement based upon the achievement of a 50% increase in Share price (Target Share Price) within the measurement year; or the achievement of the Target Share Price in a subsequent year but within a three (3) year period. This has been satisfied by the issue of 703,703 Performance Rights. The Performance Rights comprise 333,333 in Class A, 222,222 in Class B and 148,148 in Class C. Please refer to Section 3.27 and 10.6 for further details of the terms of the Performance Rights.
	IPO Retention Scheme	24% of Base Annual Salary. Paid in Shares valued at AU\$0.20 per Share at listing. This is to be satisfied by the issue of 300,000 Shares on completion of the Public Offer.
	Termination Provisions	The Individual Employment Agreement may be terminated by the Company (with legally justifiable cause) or by the Managing Director with three (3) months' written notice.
	Non-Solicitation	A non-solicitation period of twelve (12) months applies post termination in New Zealand, Australia and the United States of America.
	Redundancy	In the event of redundancy, Mr Cairns is entitled to three (3) months' notice and no redundancy compensation.

Name & Title	Key Term	Explanation
James Cooper-Jones Chief Financial Officer	Commencement Date	1 June 2017
	Contract Term	The Individual Employment Agreement continues indefinitely until terminated by either party.
	Base Annual Salary	AUD\$200,000.00 per annum, reviewed annually.
	Direct Line of Report	Managing Director
	Location	Christchurch, New Zealand (or elsewhere as required).
	Short Term Incentive	20% of Base Annual Salary per annum paid in cash (or subject to the approval of the Board by allocation of Performance Rights). Entitlement based upon achievement of KPIs as determined by the Board in writing, set annually by the Board each year for the first three (3) years following the Public Offer.
	Long Term Incentive	30% of Base Annual Salary per annum paid in Performance Rights converted at the Conversion Share Price, and vesting on the first day of the following twelve (12) month period. Entitlement based upon the achievement of a 50% increase in Share price (Target Share Price) within the measurement year; or the achievement of the Target Share Price in a subsequent year but within a three (3) year period. This has been satisfied by the issue of 422,222 Performance Rights. The Performance Rights comprise 200,000 in Class A, 133,333 in Class B and 88,889 in Class C. Please refer to Section 3.27 and 10.6 for further details of the terms of the Performance Rights.
	IPO Retention Scheme	24% of Base Annual Salary. Paid in Shares valued at AU\$0.20 per Share at listing. This is to be satisfied by the issue of 240,000 Shares on completion of the Public Offer.
	Termination Provisions	The Individual Employment Agreement may be terminated by the Company (with legally justifiable cause) or the Chief Financial Officer with three (3) months' written notice.
	Non-Solicitation	A non-solicitation period of twelve (12) months applies post termination in New Zealand, Australia and the United States of America.
	Redundancy	In the event of redundancy, Mr Cooper-Jones is entitled to three (3) months' notice and no redundancy compensation.

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Section 10. Additional Information

10.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Rights attaching to Shares [SP Comment: this is based on an Australian constitution so will need to be updated]

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Precedence of ASX Listing Rules/Amendment to ASX Listing Rules

Despite anything in the Constitution, once the Company is admitted to the Official List of the ASX, if there is any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules will prevail. In addition, if any amendment is made to the ASX Listing Rules, that amendment automatically becomes part of the Constitution without the need for any Shareholder resolution.

(b) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. A Shareholder may give written notice to the Board of a matter that the Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Shareholder is entitled to vote.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person by voice or by proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy or representative, have one vote for the Share.

(d) Dividend rights

Subject to the rights of any holders of any Shares or other Securities which confer special rights to dividends, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares. No dividend shall carry interest as against the Company.

The Board may, in its discretion, deduct from any dividend or other distribution payable to a Shareholder, any amount

owed by the Shareholder to the Company in respect of which the Company has a lien over the specific Shares on which the dividend or other distribution is payable.

All dividends and other distributions unclaimed for one year after the due date for payment may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.

(e) Winding-up

If the Company is wound up, the liquidator may, with the authority of an ordinary resolution of the Company, divide among the shareholders in kind the whole or any part of the surplus assets of the Company, and may for that purpose set such values as he considers appropriate upon any surplus assets to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of an ordinary resolution of the Company, vest the whole or any part of any such surplus assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia or New Zealand and the transfer not being in breach of the Financial Markets Conduct Act 2013 (New Zealand), the Corporations Act or the ASX Listing Rules.

(h) Variation of rights

The Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 10 business days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Comparison of Australian and New Zealand laws

The Company is a company incorporated and registered in New Zealand with company number 3184550. In Australia, the Company is registered with ASIC as a foreign company under Division 2 of Chapter 5B.2 of the Corporations Act. As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are generally not regulated by the Corporations Act and ASIC but instead are regulated by New Zealand legislation, including the Companies Act, the Financial Markets Conduct Act and the New Zealand Financial Markets Authority and the Companies Office.

Set out below is a table summarising key features of the laws that apply to the Company as a New Zealand company (under New Zealand law, including as modified by exemptions or waivers) compared with the laws that apply to Australian publicly listed companies generally. It is important to note that this summary does not purport to be a complete review of all matters of New Zealand law applicable to companies or to highlight all provisions that may differ from the equivalent provisions in Australia.

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

	New Zealand Law	Australian Law
Transactions that require shareholder approval	<p>Under the Companies Act, the principal transactions or actions requiring shareholder approval include:</p> <ul style="list-style-type: none"> ▶ adopting or altering the constitution of the company; ▶ appointing or removing a director or auditor; ▶ major transactions (being transactions involving the acquisition or disposition (whether contingent or not) of assets, the value of which is more than half the value of the company's assets, or the acquisition of rights or interests or the incurring of obligations or liabilities (including contingent liabilities), the value of which is more than half the value of the company's total assets); ▶ putting the company into liquidation (although liquidation can also occur other than by shareholder approval); and ▶ changes to the rights attached to shares. 	<p>Actions requiring shareholder approval under the Corporations Act are broadly comparable to those under the Companies Act. However, shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks, share splits and share capital reductions).</p> <p>Under the ASX Listing Rules shareholder approval is required for, inter alia:</p> <ul style="list-style-type: none"> ▶ increases in the total amount of non-executive directors' fees; ▶ directors' termination benefits in certain circumstances; ▶ certain transactions with related parties and parties of influence; ▶ certain issues of shares; and ▶ if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.
Shareholders' right to request or requisition a general meeting	<p>A special meeting of shareholders entitled to vote on an issue must be called by the board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue.</p>	<p>The Corporations Act contains a comparable right to that provided by the Companies Act. The Corporations Act also requires the directors to call a general meeting on the request of 5% of the votes that may be cast at the general meeting.</p>
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	<p>A shareholder may exercise the right to vote at a meeting either by being present in person or by proxy. A proxy is entitled to attend and be heard, and to vote, at a meeting of shareholders as if the proxy were the shareholder.</p> <p>A proxy must be appointed by notice in writing signed by or, in the case of an electronic notice, sent by the shareholder to the company. The notice of appointment must state whether the appointment is for a particular meeting or a specified term.</p>	<p>The position is comparable under the Corporations Act.</p>

	New Zealand Law	Australian Law
Changes in the rights attaching to shares	The Companies Act provides that a company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution of each interest group. (An "interest group" in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company).	<p>The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares.</p> <p>If a company does not have a constitution, or has a constitution that does not set out such a procedure, such rights may only be varied or cancelled by:</p> <ul style="list-style-type: none"> ▶ a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class or whose rights are being varied or cancelled; or ▶ a written consent of members with at least 75% of the votes in the class.
Shareholder protections against oppressive conduct	A shareholder or former shareholder of a company (or any other person who holds any rights and powers of a shareholder under the constitution) who considers that the affairs of a company have been (or are being, or are likely to be) conducted in a manner that is (or any act or acts of the company have been, or are, or are likely to be) oppressive, unfairly discriminatory, or unfairly prejudicial to him or her in any capacity may apply to the court for relief. The court may, if it thinks it is just and equitable to do so, make such orders as it thinks fit.	Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make such orders as it sees appropriate.
Shareholders' rights to bring or intervene in legal proceedings on behalf of the company	A court may, on the application of a shareholder or director of a company, grant leave to that shareholder or director to bring proceedings in the name and on behalf of the company or any related company, or intervene in proceedings to which the company or any related company is a party, for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company or related company.	The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.

	New Zealand Law	Australian Law
"2 strikes" rule in relation to remuneration reports	<p>There is no equivalent of a "2 strikes" rule in relation to remuneration reports in New Zealand. New Zealand companies are not required to publish remuneration reports so shareholders cannot vote on them.</p> <p>There is, however, an obligation to state in the company's annual report, in respect of each director or former director of the company, the total of the remuneration and the value of other benefits received by that director or former director from the company during the relevant accounting period and, in respect of employees or former employees of the company, not being directors of the company, who received remuneration and any other benefits in their capacity as employees during the relevant accounting period, the value of which was NZ\$100,000 per annum or greater, the number of such employees, stated in brackets of NZ\$10,000.</p>	<p>Section 300A of the Corporations Act requires that a company's annual report must include a report by the directors on the company's remuneration framework (called a remuneration report).</p> <p>Under section 250U of the Corporations Act, the "2 strikes" rule applies to listed public companies in Australia only. The "2 strikes" rule only applies if at two consecutive AGMs of the company, at least 25% of the votes cast on a resolution that the remuneration report be adopted were against adoption of the report and a resolution was not put to the vote at the earlier AGM under an earlier application of section 250V of the Corporations Act.</p> <p>Under section 250V, at the second AGM, there must be put to the vote a resolution (the spill resolution) that another general meeting (the spill meeting) be held within 90 days and all the company's directors (who were directors when the resolution to make the director's report considered at the second AGM and are not a managing director of the company) cease to hold office immediately before the end of the spill meeting. Also, at the spill meeting, it must be put to vote to appoint persons to offices that will be vacated.</p>
Disclosure of substantial holdings	<p>While the Financial Markets Conduct Act requires every person who is a "substantial product holder" in a listed issuer to give notice to that listed issuer and NZX that they are a substantial product holder, this provision will not apply to the Company as the Company will not be listed on NZX. Rather, the disclosure regime in the ASX Listing Rules will apply.</p>	<p>The Corporations Act requires every person who is a substantial holder to notify the listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if:</p> <ul style="list-style-type: none"> ▶ the person begins to have, or ceases to have, a substantial holding in the company or scheme; ▶ the person has a substantial holding in the company or scheme and there is a movement of at least 1% in their holding; or ▶ the person makes a takeover bid for securities of the company. <p>Under the Corporations Act a person has a substantial holding if:</p> <ul style="list-style-type: none"> ▶ the total votes attached to voting shares in the company in which they or their associates have relevant interests (or would have a relevant interest but for s609(6) (market traded options) or s609(7) (conditional agreements)) is 5% or more of the total number of votes attached to voting shares in the company; or

	New Zealand Law	Australian Law
Disclosure of substantial holdings (Continued)		<ul style="list-style-type: none"> ▶ the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended. These provisions do not apply to the Company as an entity established outside Australia.
How takeovers are regulated	<p>The New Zealand position under the Takeovers Code is broadly comparable to the Australian position in relation to the regulation of takeovers.</p> <p>For the purposes of the Takeovers Code, a code company is a company that is a listed issuer that has financial products that confer voting rights quoted on the NZX or a company that has 50 or more shareholders and 50 or more parcels of shares.</p> <p>A 20% threshold applies (under which a person may not become the holder or controller of an increased percentage of the voting rights in a code company unless after the event, that person and their associates hold or control in total not more than 20% of the voting rights in the code company, or may not become the holder or controller of an increased percentage of voting rights if they already hold or control more than 20% of the voting rights), subject to certain exceptions (including full and partial offers, 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval).</p> <p>Compulsory acquisitions are permitted by persons who hold or control 90% or more of the voting rights in a code company.</p>	<p>The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.</p> <p>Exceptions to the prohibition apply (eg. acquisitions with shareholder approval, 3% creep over 6 months and rights issues that satisfy prescribed conditions).</p> <p>Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company.</p> <p>The Australian takeovers regime will not apply to the Company as a New Zealand company.</p>

10.4 Differences between Australian IFRS and New Zealand IFRS

The statutory financial statements provided in respect of the Company and each of its subsidiaries in Section 6 have been prepared in accordance with New Zealand GAAP. As such, that financial information complies with New Zealand IFRS, as well as the recognition and measurement requirements of Australian IFRS. Accordingly, there are no material differences to the recognition and measurement of the Company's financial statements or its financial results.

All ongoing financial information prepared by the Company and provided directly to Shareholders or the ASX will be prepared in accordance with the recognition and measurement requirements of New Zealand IFRS and Australian IFRS applicable at that time.

There may be some presentation, disclosure and classification differences between financial information prepared in accordance with New Zealand IFRS and financial information prepared in accordance with Australian IFRS. None of these differences in presentation, disclosure or classification would be expected

to materially change the financial results reported under New Zealand IFRS.

10.5 Taxation implications of investing under the Offer

The following is a general description of certain Australian and New Zealand tax consequences of participating in the Public Offer for investors who are tax residents of Australia (**Australian Investors**) or tax residents of New Zealand (**New Zealand Investors**) and who will hold Shares acquired through the Public Offer on capital account. Whether the Shares are ultimately held on capital account (as opposed to revenue account or as trading stock) may depend on the type of investor involved and their specific circumstances.

This is not intended to be an authoritative or complete analysis of the taxation laws of Australia and New Zealand and is based on taxation law and practice in effect at the date of this Prospectus. The comments below do not take into account the specific circumstances of any particular Australian Investor or New Zealand Investor and should not be relied on as such.

Australian Investor or New Zealand Investor and should not be relied on as such. Australian Investors, New Zealand Investors and all other investors should consult their own professional advisers about the tax consequences of acquiring, holding or disposing of Shares in their own particular circumstances.

RSM Australia Pty Ltd has provided the Australian and New Zealand tax comments below. Taxation issues, such as those discussed below, are only one of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an Australian Financial Services Licence before making a decision.

(a) Australian tax consequences for Australian Investors

You are an Australian Investor if you are an Australian tax resident. Whether an investor is an Australian tax resident is a matter of fact and will depend upon the facts and circumstances that apply to each investor. It is strongly advised that where the tax residency of an investor is uncertain, the investor seek independent advice as to their tax residency status.

The information contained in this section is intended to provide a guide of the possible taxation outcomes for Australian tax residents only.

Australia has a comprehensive list of international tax treaties with overseas countries. If you are an Australian tax resident and are also a tax resident in another country, the following summary of implications for Australian Investors may not apply to you where the international tax treaty applies to deem you to be a resident solely in the other country.

Dividends on Shares

General

Dividends may be paid to Australian Investors in respect of their Shares.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include any distribution made by a company to its shareholders by way of money or property, including such transactions as off-market share buy-backs that may be undertaken by the Company.

Australian Investors are required to include in their assessable income the amount of any dividend received in respect of their Shares in the income year in which it is paid or payable. To the extent that any New Zealand withholding tax is paid in respect of the dividend, the amount included in assessable income should be grossed up for the amount of withholding tax paid. The withholding tax paid should generally give rise to a foreign income tax offset (FITO) which may be used to offset some or all of the Australian tax payable in respect of the dividend.

Broadly, a FITO should reduce the Australian tax payable on foreign income that has been subject to foreign income tax. The amount of FITO available to the Australian Investor is equal to the foreign income tax paid, subject to a limit. The FITO limit is the greater of A\$1,000 and the Australian tax that would be payable on the Australian Investor's assessable foreign income for the year (less related expenses other than interest). For dividends received on Shares that are held

through trusts and are passed through to beneficiaries, the benefits of any FITO may, in some cases, also pass through to the beneficiaries.

An Australian Investor that is a company which, broadly speaking, holds a relevant interest of 10% or more in the Company may not be required to include dividends on Shares in its assessable income. Where the income is not assessable, the company would not be entitled to a FITO for New Zealand withholding tax paid on the dividend.

It is also noted that to the extent a dividend is received in a currency other than Australian dollars (e.g. New Zealand dollars), the amount included in assessable income is to be translated into Australian dollars (generally at the exchange rate applicable on the day the dividend and the FITO is paid).

Trans-Tasman triangular tax regime

The Trans-Tasman triangular tax regime allows a New Zealand tax resident company, such as the Company, to elect to operate an Australian franking account. As a result, Australian taxes paid may result in franking credits being attached to dividends paid by the Company on Shares. Franking credits must be allocated proportionately to all Investors (wherever they are resident).

The Company has not currently elected to enter into the Trans-Tasman triangular tax regime. Should the Company hold eligible Australian subsidiaries and choose to elect going forward, it may be in the future in a position to frank dividends for Australian tax purposes.

Foreign income attribution rules

The Australian income tax law contains provisions that, in certain circumstances, may attribute income to Australian Investors in respect of their interests in non-Australian companies, even if that income has not been received from the non-Australian company. In broad terms, the controlled foreign company (CFC) rules may apply where a non-Australian company is regarded as controlled by Australian residents, including whether five or fewer Australian residents, together with their associates, have an interest of 50% or more in the Company. Based on the intention that the Company's Shares will be widely held, no Australian Investor should control the Company for these purposes.

The CFC rules are particularly complex and in the event that an Australian investor or Investors control the Company, it is recommended that those Australian Investors seek independent advice in relation to the application of these provisions.

Disposal of Shares

Australian Investors who hold their Shares on capital account should be required to consider the impact of the capital gains tax (CGT) provisions in respect of the disposal of their Shares, including disposal by way of off-market transfers to related parties where no consideration is received.

Where the capital proceeds received on the disposal of the Shares exceed the CGT cost base of those Shares, Australian Investors will derive a capital gain.

The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among

other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian Investors will derive a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares. Capital losses may only be used to offset capital gains made in the current year or future years.

All capital gains and losses recognised by an Australian Investor for an income year are considered collectively. To the extent that a net gain exists, such Australian Investors may be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied as applicable). Any remaining net gain (after the application of any carried forward tax losses) is then included in the Australian Investor's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and taxed at the Australian Investors applicable rate of tax. A net capital gain can be further reduced by any current year revenue losses (provided certain loss recoupment tests are satisfied as applicable). Non-corporate Australian Investors that are individuals, trusts or complying superannuation funds may be entitled to discount the capital gain where the Shares have been held for more than 12 months prior to disposal. The concession results in a 50% discount in the assessable amount of a capital gain for an individual Australian Investor or trust, and a one-third reduction of a capital gain for an Australian resident complying superannuation fund Investor. Discounted capital gains made by Trusts are ultimately grossed up and assessed in the hands of the beneficiary, who may then be entitled to the discount based upon their circumstances.

The concession is not available to corporate Australian Investors. An Australian Investor that is a company, which, broadly speaking, holds a relevant direct voting interest of 10% or more in the Company throughout a continuous 12 month period (beginning no earlier than 24 months before the disposal), may have the amount of capital gain or loss reduced to the extent that the company has underlying active business assets.

In relation to trusts or limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied.

Stamp duty

There should be no Australian stamp duty payable on the issue of Shares pursuant to the Public Offer. Under current stamp duty legislation, stamp duty would not ordinarily be payable on any subsequent transfer of Shares provided the Company remains listed on the ASX.

Goods and services tax (GST)

No Australian GST liability should arise on either the issue of the Shares pursuant to the Public Offer or on the subsequent transfer of the Shares. However, GST may be applicable on any fees payable on brokerage services received in relation to the share transaction. The ability to recover any GST incurred in relation to this transaction as an input tax credit would vary according to individual circumstances and as such this should be reviewed by Australian Investors prior to making any claim.

(b) New Zealand tax consequences for Australian Investors

Dividends on Shares

Where a fully imputed dividend is paid to an Australian Investor holding 10% or more of the Company's Shares no non-resident withholding tax will be deducted from the dividend.

Where a fully imputed dividend is paid to an Australian Investor holding less than 10% of the Company's Shares, New Zealand's Foreign Investor Tax credit regime may be utilised (see below) to offset the impact of non-resident withholding tax.

Where a dividend is not fully imputed a non-resident withholding tax of up to 15% may be deducted.

New Zealand Foreign Investor Tax Credit regime

The Company may use the New Zealand Foreign Investor Tax Credit regime for the benefit of non-New Zealand tax resident investors. Under this regime, the Company is able to pay an additional or supplementary dividend to non-New Zealand residents, which effectively negates the impact of New Zealand non-resident withholding tax to the extent that the dividend is fully imputed. By utilising this regime, non-New Zealand resident Shareholders receive the same amount of cash (after withholding tax) as New Zealand Investors (before any New Zealand resident withholding tax). The supplementary dividend is funded by a tax credit made available to the Company. The amount of the tax credit made available is equal to the amount of the supplementary dividend.

Disposal of Shares

Amounts derived by Australian Investors from the sale, or other disposal of the Shares should not be taxable in New Zealand if the Shares are held on capital account.

Australian Investors should seek their own tax advice about whether the proceeds from sale will be taxable.

Stamp duty

As New Zealand no longer has stamp or conveyance duty, there should be no New Zealand stamp duty payable on the issue of Shares pursuant to the Public Offer or on the subsequent transfer of the Shares.

GST

No New Zealand GST liability should arise on either the issue of the Shares pursuant to the Public Offer or on the subsequent transfer of the Shares.

(c) New Zealand tax consequences for New Zealand Investors

You are a New Zealand Investor if you are a New Zealand tax resident. Whether an investor is a New Zealand tax resident is a matter of fact and will depend upon the facts and circumstances that apply to each investor. It is strongly advised that where the tax residency of an investor is uncertain, the investor seek independent advice as to their tax residency status.

The information contained in this section is intended to provide a guide of the possible taxation outcomes for New Zealand tax residents only.

New Zealand has a comprehensive list of international tax treaties with overseas countries. If you are a New Zealand tax resident and are also a tax resident in another country, the following summary of implications for New Zealand Investors may not apply to you where the international tax treaty applies to deem you to be a resident solely in the other country.

Dividends on Shares

New Zealand Investors will generally be required to include in their assessable income the amount of any dividend received in respect of their Shares in the income year in which it is received (including the amount of any imputation credits attached to the dividend). New Zealand Investors would then be subject to tax at their applicable tax rate on the imputation credit inclusive amount of the dividend.

Imputation credits attached to a dividend will generally give rise to a tax credit and may be used against the tax liability of the New Zealand Investor for the year in which the dividend is received. For a New Zealand Investor who is an individual, any excess imputation credits may be carried forward to future years. For a New Zealand Investor that is a company, any excess imputation credits are converted into a tax loss and may be carried forward to offset against net income in subsequent years (subject to meeting the necessary shareholder continuity requirements).

Unless the New Zealand Investor has notified the Company that it holds a valid certificate of exemption from resident withholding tax and has provided the Company with a copy of the certificate, resident withholding tax will be deducted from any dividend to the extent that the dividend is imputed at a rate less than 33%. A credit of tax should be available for any resident withholding tax withheld to offset the New Zealand Investor's tax liability for the year the dividend is paid. To the extent that the resident withholding tax credit exceeds the New Zealand Investor's tax liability, the resident withholding tax may be refunded by the Inland Revenue Department by filing an income tax return for the year in question. From 1 April 2017 a company may opt out of deducting resident withholding tax from a fully imputed dividend paid to a corporate shareholder (as corporate shareholders are taxed at 28%).

Disposal of Shares

Amounts derived by New Zealand Investors from the sale, or other disposal, of the Shares should not be included in assessable income if the Shares are held on capital account.

For completeness, it is noted that proceeds from sale may still be taxable if, for example, the New Zealand Investor deals in equities or otherwise has acquired the Shares for the dominant purpose of resale or has sold the Shares as part of a profit-making undertaking. New Zealand Investors may also be taxable on proceeds from sale if they are engaged in the business of life insurance.

It is also noted that a gain or loss made by a Portfolio Investment Entity investor from the sale, or other disposal, of a share issued by a company resident in New Zealand is excluded income of the Portfolio Investment Entity investor subject to meeting certain requirements.

New Zealand Investors should seek their own tax advice about whether the proceeds from sale will be taxable.

Stamp duty

As New Zealand no longer has stamp or conveyance duty, there should be no New Zealand stamp duty payable on the issue of Shares pursuant to the Public Offer or on the subsequent transfer of the Shares.

GST

No New Zealand GST liability should arise on either the issue of the Shares pursuant to the Public Offer or on the subsequent transfer of the Shares. GST should not apply to any brokerage activity on the sale of shares in a company. Such brokerage activities are usually exempt. However, they might be zero-rated under the business-to-business financial service rules, or might generate a credit under the direct supplier deduction provisions. This would generally not be the case for individual investors holding shares on capital account. The ability to recover any GST incurred in relation to this transaction as an input tax credit would vary according to individual circumstances and as such this should be reviewed by New Zealand Investors prior to making any claim.

10.6 Performance Rights Plan

The following is a summary of the key terms and conditions of the Performance Rights Plan adopted by the Company:

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company (but, if the Class Order or Exemption Notice (as applicable) is being relied on, only to the extent permitted by the Class Order or Exemption Notice (as applicable); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(b) Offer: The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.

(c) Plan limit:

(i) The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(ii) Where the Company has relied, or intends to rely on the exclusion for employee share schemes under schedule 1 of the Financial Markets Conduct Act, and or its applicable Exemption Notice, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be able to be received on exercise of Performance Rights offered under the offer does not exceed the limit imposed by the Financial Markets Conduct Act and Exemption Notice.

(d) Issue price: Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration.

(e) Vesting Conditions: A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right.

(f) Vesting: The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i)** Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights; or
- (ii)** a Change of Control occurring; or
- (iii)** the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) Lapse of a Performance right: A Performance Right will lapse upon the earlier to occur of:

- (i)** an unauthorised dealing in the Performance Right;
- (ii)** a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii)** in respect of unvested Performance Rights only, a relevant person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv)** in respect of vested Performance Rights only, a relevant person ceases to be an Eligible Participant and the Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
- (v)** the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi)** the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Performance Right;
- (vii)** the expiry date of the Performance Right.

(h) Not transferrable: Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) Shares: Shares resulting from the exercise of the Performance Rights shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.

(j) Quotation of Shares: f Shares of the same class as those issued upon exercise of Performance Rights issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, the Companies Act, the Corporations Act and the Financial Markets Conduct Act (as applicable), apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(k) Sale Restrictions: The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights up to a maximum of seven (7) years from the grant date of the Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(l) No Participation Rights: There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(m) Change in number of underlying securities: Unless specified in the offer of the Performance Rights and subject to compliance with the ASX Listing Rules, a Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(n) Reorganisation: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Companies Act and the ASX Listing Rules at the time of the reorganisation.

(o) Amendments: Subject to express restrictions set out in the Performance Rights Plan and complying with (as applicable) the Companies Act, the Financial Markets Conduct Act, the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan including giving any amendment retrospective effect.

(p) Trust: The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Performance Rights Plan to effect the establishment of such a trust and the appointment of such a trustee.

(q) Governing Law: The Performance Rights Plan is governed by the laws of New Zealand and the Company and the Eligible Participants submit to the non-exclusive courts of New Zealand.

(r) Definitions: Capitalised terms used in the above summary are as defined in the Performance Rights Plan, including:

(viii) Associated Body Corporate means:

- (A) a related body corporate (as defined in the Corporations Act) of a Company;

- (B) a related company (as defined in the Companies Act) of a Company; and

- (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

(ix) Change of Control means:

- (A) a bona fide Full Offer or Partial Offer is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;

- (B) a court approves, under the Companies Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

- (C) in any other case, a person obtains Control in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Control) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

- (x) Class Order means ASIC Class Order 14/1000 as amended or replaced.

- (xi) Control has the meaning given to the term in the Takeovers Code.

- (xii) Exemption Notice means the Financial Markets Conduct Act (Employee Share Schemes) Exemption Notice 2016.

- (xiii) Full Offer has the meaning given to that term in the Takeovers Code.

- (xiv) FMC Regulations means the Financial Markets Conduct Regulations 2014.

- (xv) Partial Offer has the meaning given to that term in the Takeovers Code.

(xvi) Relevant Person means:

- (D) in respect of an Eligible Participant, that person; and

- (E) in respect of a nominee of an Eligible Participant, that Eligible Participant.

(xvii) Special Circumstances means:

- (F) a Relevant Person ceasing to be an Eligible Participant due to:

- (I) death or Total or Permanent Disability of a Relevant Person; or

- (II) Retirement or Redundancy of a Relevant Person;

- (G) a Relevant Person suffering Severe Financial Hardship;

- (H) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
- (I) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

10.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director of the Company holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director of the Company:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

10.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these

persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offers.

Armour IP has acted as patent attorney and has prepared the Intellectual Property Report which is included in Section 5. The Company estimates it will pay Armour IP a total of \$2,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Armour IP has not received fees from the Company for any other services.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 6. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC RSM Corporate Australia Pty Ltd has not received any fees from the Company for any other services.

Hunter Capital Advisors will act as Lead Manager to the Public Offer and will receive 6% (excluding GST) of the total amount raised under the Prospectus following the successful completion of the Public Offer for its services. Hunter Capital Advisors will be responsible for paying all capital raising fees that Hunter Capital Advisors and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Hunter Capital Advisors are summarised in Section 2.6. During the 24 months preceding lodgement of this Prospectus with ASIC, the Company has engaged Hunter Capital Advisors to undertake corporate advisory and capital raising services. The Company has paid Hunter Capital Advisors \$120,000 (excluding GST) to Hunter Capital Advisors and issued Hunter Capital Advisors (or its nominees) 650,010 Shares for these services. Other than this Hunter Capital Advisors has not received any other fees or benefits for other services provided to the Company in the last two years.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees for any other legal services provided to the Company.

Lane Neave has acted as the New Zealand solicitors to the Company in relation to the Offers. The Company estimates it will pay Lane Neave NZ\$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lane Neave has received NZ\$69,790 (excluding GST) in fees for legal services provided to the Company (which excludes any amounts payable in connection with legal services provided to the Company in relation to the Offers).

RSM Australia Pty Ltd has acted as the tax adviser to the Company in relation to the Public Offer and has prepared the summary of Australian tax implications to investors as set out in Sections 2.14

and 10.5. The Company estimates it will pay \$2,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Pty Ltd has not received any fees for services provided to the Company.

10.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Armour IP has given its written consent to being named as patent attorney in this Prospectus and the inclusion of the Intellectual Property Report in Section 5 in the form and context in which the report is included. Armour IP has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM Corporate Australia Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the information in Section 10.4 in the form and context in which the information is included and to the inclusion of the Investigating Accountant's Report included in Section 6 in the form and context in which the report is included. RSM Corporate Australia Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

PricewaterhouseCoopers has given its written consent to being named as the auditor of the Company in the form and context in which it is named. PricewaterhouseCoopers has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM Australia Partners has given its written consent to being named as the auditor of Professional Ag Services, Inc. in the form and context in which it is named. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Lane Neave has given its written consent to being named as the New Zealand solicitors to the Company in this Prospectus. Lane

Neave has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Hunter Capital Advisors has given its written consent to being named as Lead Manager to the Company in this Prospectus. Hunter Capital Advisors has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RSM Australia Pty Ltd has given its written consent to being named as the tax adviser to the Company in this Prospectus and the inclusion of Australian tax information in Section 10.5 in the form and context in which it is included. RSM Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services has given its written consent to being named as the Share Registry to the Company in this Prospectus. Link Market Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

10.10 Expenses of the Public Offer

The total expenses of the Public Offer (excluding GST) are estimated to be approximately \$559,901 for the Minimum Subscription or \$747,896 for the Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC Fees	2,400	2,400
ASX Fees	75,801	83,796
Lead Manager Fees	300,000	480,000
Australian Legal Fees	50,000	50,000
New Zealand Legal Fees	75,200	75,200
Patent Attorney's Fees	2,500	2,500
Investigating Accountant's Fees	15,000	15,000
Tax adviser's fees	4,000	4,000
Printing and Distribution	35,000	35,000
TOTAL	559,901	747,896

10.11 Continuous disclosure obligations

The Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) following admission to the Official List and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants.

Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. In addition, the Company posts this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.12 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.croplogic.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.13 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

10.14 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Section 11. Director's Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, reading "John Beattie", is positioned above a horizontal line. The signature is written in a cursive style with a large initial 'J'.

Mr John Beattie
Non-Executive Chairman

For and on behalf of
CropLogic Limited

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Section 12. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

\$ or AUD\$	means an Australian dollar.
NZ\$	means a New Zealand dollar.
AEST	means Australian Eastern Standard Time as observed in Sydney, New South Wales.
Applicant	means a prospective investor returning a completed Application Form.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Public Offer.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
Board	means the board of Directors as constituted from time to time.
Cleansing Offer	means the offer of 1 Share as set out in Section 2.2.
Cleansing Offer Application Form	means the application form attached to or accompanying this Prospectus relating to the Cleansing Offer.
Cleansing Offer Closing Date	means the closing date of the Cleansing Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Cleansing Offer Closing Date or close the Cleansing Offer early).
Company	means CropLogic Limited (ARBN 619 330 648) (New Zealand Company Number 3184550).
Companies Act	means the Companies Act 1993 (NZ) as amended from time to time.
Companies Office	means the New Zealand Companies Office.
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company at the date of this Prospectus.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.
Financial Markets Authority	means the New Zealand Financial Markets Authority established by the Financial Markets Authority Act 2011 (NZ).
Financial Markets Conduct Act	means the Financial Markets Conduct Act 2013 as amended from time to time.
Investigating Accountant	means RSM Corporate Australia Pty Ltd (ACN 050 508 024).
IPO	means initial public offer.
Lead Manager or Hunter Capital Advisors	means Hunter Capital Advisors Pty Ltd (ACN 603 930 418), a corporate Authorised Representative (number 1239304) of GFIN Green Pty Ltd (ACN 134 818 170), the holder of Australian Financial Services Licence Number 334191.
Lead Manager Mandate	means the mandate between the Company and Hunter Capital Advisors Pty Ltd dated 19 April 2017, as summarised at Section 2.6.

Maximum Subscription	means the maximum amount to be raised under the Prospectus, being \$8,000,000.
Minimum Subscription	means the minimum amount to be raised under the Public Offer, being \$5,000,000.
NZX	means NZX Limited (with company number 1266120), as operator of the stock exchange in New Zealand.
Offers	means the Cleansing Offer and the Public Offer or either one of them as the context requires.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
PFR	means The New Zealand Institute for Plant and Food Research Limited.
Prospectus	means this prospectus.
Public Offer	means the offer of Shares pursuant to this Prospectus as set out in Section 2.1.
Public Offer Closing Date	means the closing date of the Public Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Public Offer Closing Date or close the Public Offer early).
Section	means a section of this Prospectus.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry or Link Market Services	means Link Market Services Limited (ACN 083 214 537).
Shareholder	means a holder of Shares.
Takeovers Code	means the New Zealand Takeovers Code Approval Order 2000 (SR 2001210) as amended from time to time.

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B A\$

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C

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Super Fund

E

F

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G

HTotal Amount **A\$****CLI IPO001**

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are CropLogic Limited ("CropLogic") Shares. Further details about the Shares are contained in the Prospectus dated 13 July 2017 issued by CropLogic Limited. The Prospectus will expire 13 months after the Prospectus Date. While the Prospectus is current, CropLogic Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 (\$500). You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, CropLogic Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from CropLogic Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to CropLogic Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to CropLogic Limited in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 11 August 2017 at:

For Australian Residents:

Australian Mailing Address

CropLogic Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Australian Hand Delivery

CropLogic Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(do not use this address for mailing purposes)

For New Zealand Residents:

New Zealand Mailing Address

CropLogic Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142 New Zealand

New Zealand Hand Delivery

CropLogic Limited
C/- Link Market Services Limited
Level 11 Deloitte Centre
80 Queen Street
Auckland New Zealand
(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the Corporations Act 2001. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

