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Science | Technology | Agronomy

CROPLOGIC LIMITED

ARBN: 619 330 648 / NEW ZEALAND COMPANY NUMBER 3184550

ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE SIX MONTHDS ENDED 30 SEPTEMBER 2017

The following information should be read in conjunctions with the Interim Report of CropLogic for the half-year ended 30 September 2017 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing rule 4.2A.
Reporting period: Half-year from 1 April 2017 to September 2017.
Previous corresponding period: Half-year from 1 April 2016 to 30 September 2016.

a. Results for announcement to the market

		%		$
Revenues from ordinary activities	up	2566%	to	2,042,743
Loss after tax attributable to the owners of CropLogic Limited	up	6%	to	620,323
Total comprehensive loss for the half-year attributable to the owners of CropLogic Limited	up	8%	to	578,666

Dividends
No Dividends were paid or declared during the period.

Comments
The comprehensive loss for the company amounted to $578,666 (30 September 2016: $534,452)

b. Net tangible assets

	Reporting period	**Previous period**
	Cents	**Cents**
Net tangible assets per ordinary security	6.46	404

c. Control gained over entities

On 28 April 2017 the Group acquired the net assets of a US entity Professional Ag. Services Inc. These were purchased by the Group's US subsidiary entity CropLogic ProAg LLC, which now operates the business. Professional Ag. Services Inc. was a provider of Agronomy Services and the business was acquired with the purpose of acquiring an existing market into which the probe IP could be implemented.

d. Loss of control over entities

Not Applicable

e. Details of associates and joint venture entities

Not applicable

f. Audit qualification or review

Details of audit/review dispute or qualification (if any):
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

g. Attachments

Details of attachments (if any):
The Interim Report of CropLogic Limited for the half-year 30 September 2017 is attached.

h. Signed

James Cooper-Jones
Company Secretary
30th November 2017

croplogic™

2017 Half yearly report

Science | Agronomy | Technology

Australia | New Zealand | United States of America

www.croplogic.com

CROPLOGIC LIMITED | ARBN 619 330 648 | NEW ZEALAND COMPANY NUMBER 3184550

ASX:CLI

CropLogic in-field sensor pictured in a potato field near Pasco, Washington, during the 2017 growing season. Significant development has been undertaken with these sensors and the underlying platform, resulting in solid system reliability throughout the season.

Directors' Report

The board of directors of CropLogic Limited has pleasure in submitting this Half Yearly Report together with consolidated financial statements for the six-month period ended 30 September 2017 and associated auditor's review report.

CropLogic's Business Profile

CropLogic is an agronomy services company, blending science, technology and agronomy to help large-scale growers make better decisions in the management of their crops. Our agronomists use high-quality field information and scientific modelling to better understand and predict the behaviour of plants and soils they grow in, promptly identify potential issues growers may face, help them work within resource constraints and lower input costs, and to optimise their yield outputs as a result.

CropLogic has adopted a high-growth strategy for its global expansion, leveraging strategic acquisitions for initial market entry and then introducing technology to achieve a reduction in service costs, increased service capacity, and an increase in acreage, revenue and profitability.

CropLogic is currently operational in Australia, the USA and New Zealand. The company is listed on the Australian Stock Exchange (ASX:CLI), and its head office is located in Christchurch, New Zealand.

Review of Operations

The review of operations is covered under Section 5 - Report to Shareholders.

Directors

All CropLogic directors held their position as a director throughout the entire period and up to the date of this report. Directors in office during the period were:

Non-executive directors

Mr John Beattie
LLB, MAICD

Dr Steve Hampson
BE (Hons), PhD

Mr Peter Roborgh
BSc, MSc (Hons)

Mr Stephen Wakefield
B.Com, B.Sc, FCA, C.M. Inst.D

Executive director

Mr Jamie Cairns (Managing Director)
BSc, MBA

Mr John Beattie
Chairman

Mr Jamie Cairns
Managing Director

Key Facts

Highly successful North American growing season (Over $2M of revenue generated)

Development of revenue and profitability

International acquisition strategy underway

Expansion of Research & Development Programme

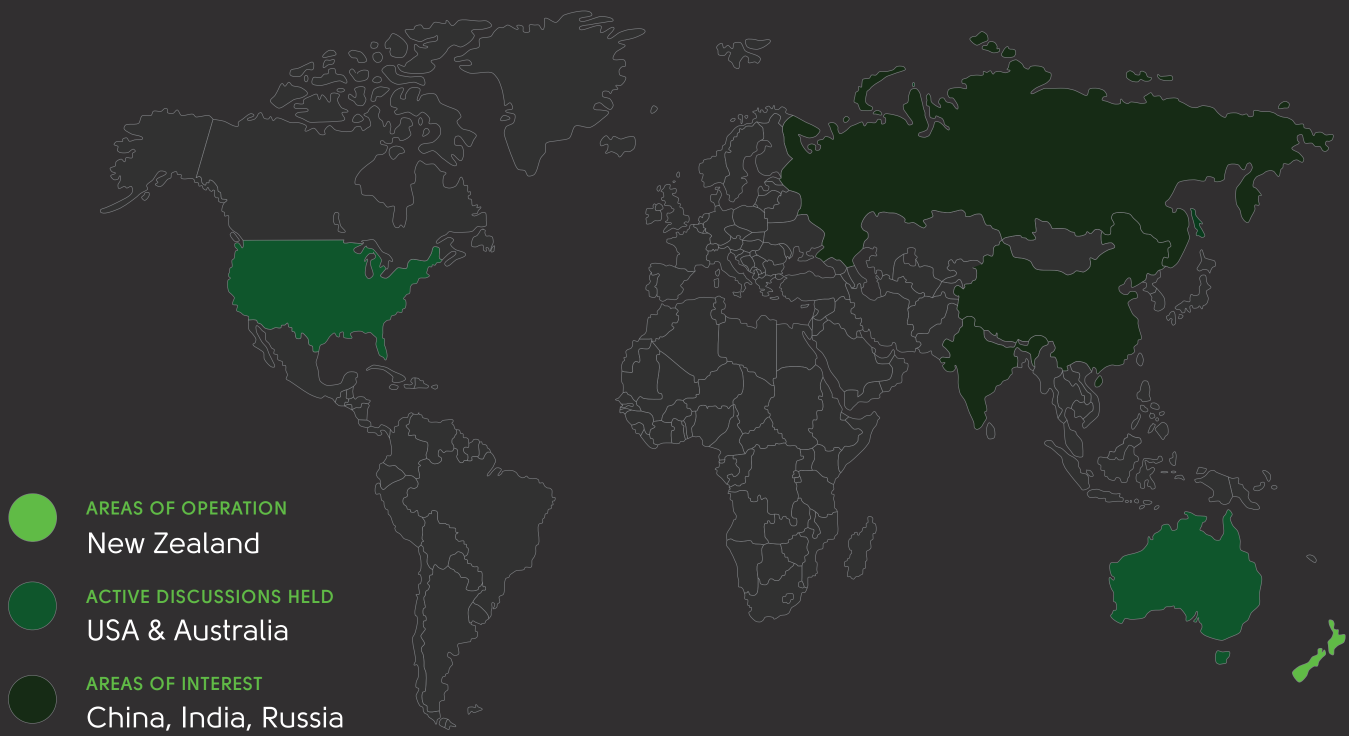
Expansion of corporate structure

Successful listing on Australian Securities Exchange

Cash on hand sufficient for the company to meet its growth aspirations

Geographical Expansion

2016



CropLogic has achieved significant geographical growth during the period 1 April 2017 to 30 September 2017, compared to the same period in 2016.

The company has significantly expanded its areas of operation from the 2016 period to now having presence in Australia, New Zealand, and the United States of America in this reporting period. The USA remains a priority market for the company, and new sales leads are being generated accordingly, with a particular focus upon the Pacific Northwest region (Idaho, Oregon, Washington). Existing presence in Southeastern Washington provides a good base for penetration of these markets and it is possible to service fields in those locations from this operational centre.

CropLogic has been clear about its strategy to initiate market entry via acquisitions, and is building a pipeline of further potential opportunities in Australia and the USA. This growth model focuses upon identification of acquisition targets that provide key strategic value and regional market share into which CropLogic technology can be introduced to drive efficiencies and increase revenue. The acquisition of Professional Ag Services LLC in Washington State (USA) as of 28 April 2017 has done as such, providing CropLogic with a client base that represents some 30% of the total Washington potato production.

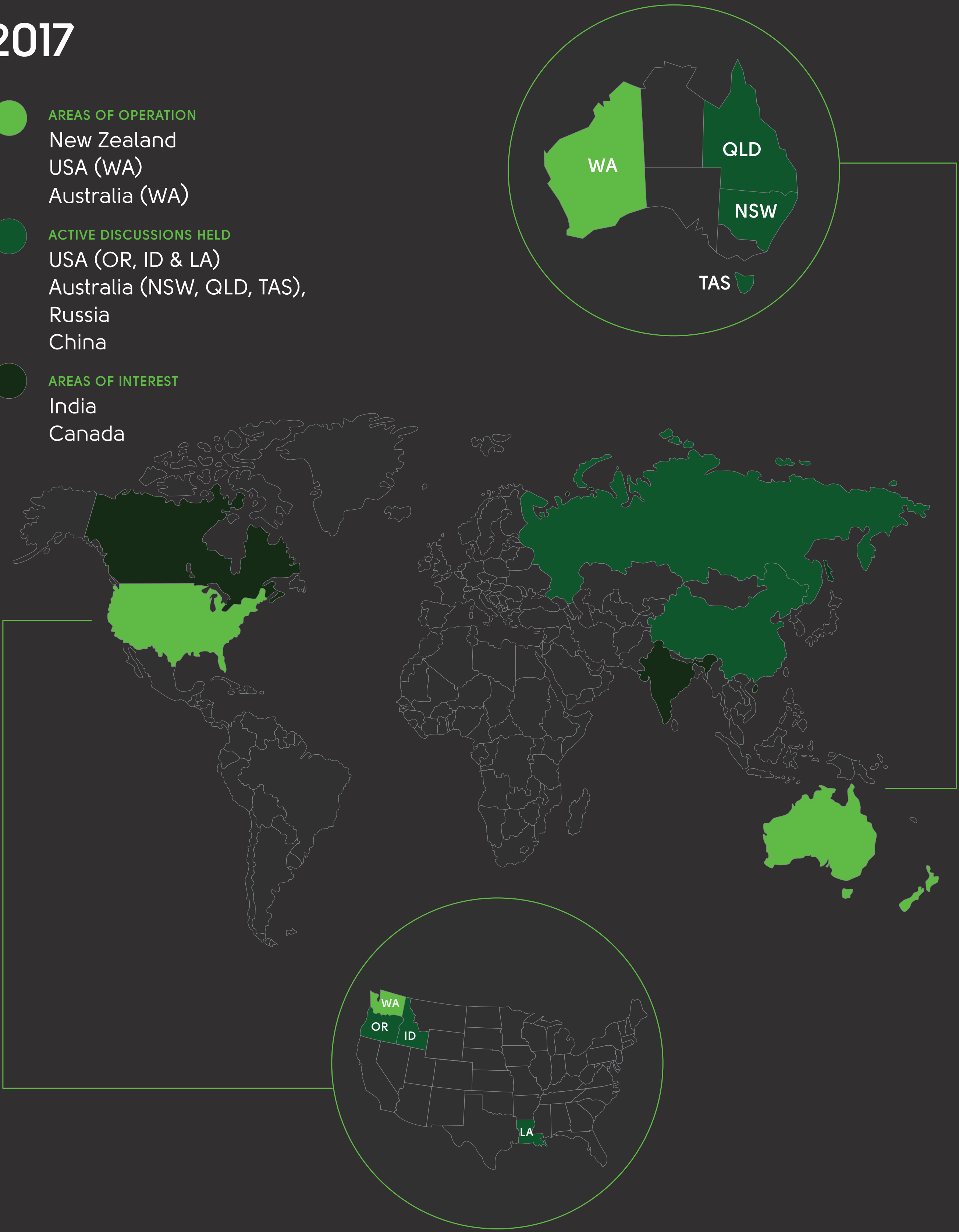
As at 30 September 2017 CropLogic has cash reserves of AUD$6.6 million. This leaves CropLogic well resourced to meet its growth aspirations into 2018. Following a successful market entry into Washington State, CropLogic continues to evaluate a growing number of growth opportunities in the USA and Australia, and other international locations. During this reporting period, corporate entities and tax structures were established in Australia and the USA in anticipation of further operational and acquisition activity.

2017

AREAS OF OPERATION
New Zealand
USA (WA)
Australia (WA)

ACTIVE DISCUSSIONS HELD
USA (OR, ID & LA)
Australia (NSW, QLD, TAS),
Russia
China

AREAS OF INTEREST
India
Canada



Revenue Growth

Compared to the same period in 2016 which saw AUD$76k of service income generated, CropLogic has generated significant revenue from the North American growing season, with a total of AUD$2.0 million of service income generated and AUD$1.6 million received during this period.

Revenue was generated by servicing approximately 60,000 acres within Washington State, equating to approximately 30% of the serviceable potato acres within that region.

New clients have been won and serviced successfully in Washington State and have proven the potential for the technology to be used to increase serviceable acres. The geographic distance between some of these new clients and the operational base in Washington had previously been a barrier, however the reliability of the technology has meant that these clients are now economically feasible and directly targetable. The opportunity to cross-sell imagery and agronomy services within the existing client base also remains.

$2m

2017

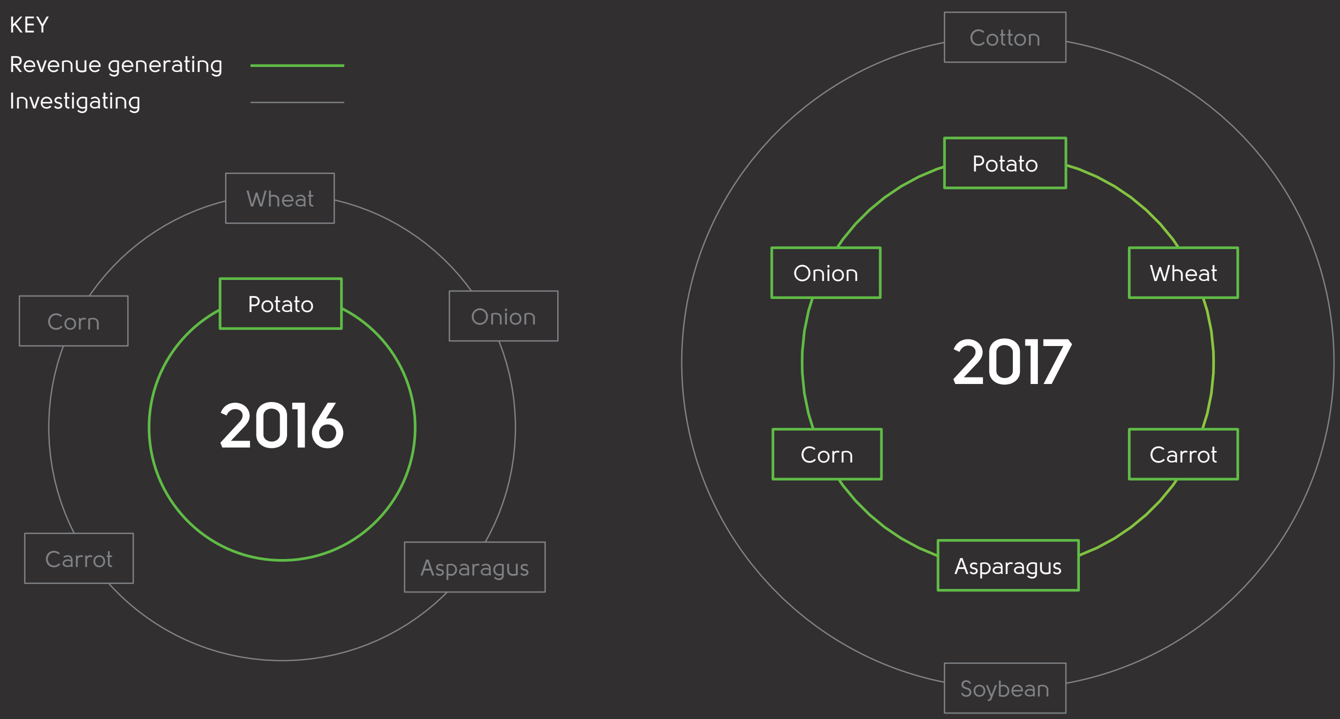
$76k

2016

~$76k.
Revenue last year (6 months)

~$2m.
Revenue this year (6 months)

Commodity Growth



Current Revenue generating crops

Potato Wheat Carrot Asparagus Onion Corn

During the 2017 USA growing season, CropLogic has demonstrated the versatility of its technology by servicing new commodity crop types.

Whereas the 2016 growing season saw technology deployed in potato fields only, the 2017 season saw deployment into and revenue generation from potato, onion, corn, carrot, asparagus and wheat crops.

Of the total revenue generated from operations this season, approximately 49% came from potatoes, 20% from onions, and 14% from corn. Further revenue was also generated from the other commodities previously mentioned. While potatoes are still the primary focus because of their relatively high value, significant opportunities exist in these other crop types and early adoption has been particularly encouraging.

Increased activity in alternative crop types provides a mechanism to expedite development of forecasting and yield optimisation services. The more data that can be gained from fields, the quicker these products can be developed and the more accurate they become. To be able to base development upon already revenue generating service delivery is a key benefit in the strategy employed by the Company. Plans are currently being made to add cotton, sweet potato and soybean to the portfolio of serviceable commodities.

Outlook

The 2018 year will see a multi-faceted approach to increasing coverage and geographical presence, acres under management, product performance and efficacy, and delivering a reduction in service costs.

With a growth model consisting of both acquisition and organic growth initiatives, CropLogic will continue to identify and evaluate potential acquisition opportunities in target markets whilst building upon those investments to achieve organic growth of the inherent existing client base. Market share is expected to grow as a result of those two approaches, where suitable acquisitions would contribute significant but irregular revenue growth, and organic growth will contribute a steady season-to-season increase in the client and revenue base.

The ability for CropLogic to fundamentally alter the business model of acquired businesses rests on the deployment of technology to enable the expected service cost reduction and delivery of future value-add services. A significant roll-out of technology into Washington State is planned for the 2018 season, and will see CropLogic with up to 70,000 acres of high-value crops being managed in real-time.

CropLogic has an active research and development programme. The aim of the research element of this programme is to increase the scientific capability of the Company's agronomy function and the efficiency and accuracy of the technology offering through continued development of new and cutting-edge technology. The development function is responsible for converting those scientific findings into products valued and usable by the grower. To help ensure that this is indeed the outcome, CropLogic employs a user-led development process that sees an initial focus upon major customers with significant regional or market influence. The commercial outcome from the research and development programme will be a new value-added service for the grower, and an increase in revenue per acre to CropLogic. An improved user interface, incorporating mobile platforms, is currently underway and will be delivered for the upcoming season.

Further growth prospects are being pursued in new regions and in new crop types. While it is important to focus upon delivery of commercial services into areas of current investment, several new opportunities with the potential for significant financial reward to CropLogic are currently being explored. This opportunistic approach to growth will continue to be core to the company ethos, particularly when aligned with financial or reputational support from major stakeholders.

Significant events since balance sheet date

No matters have arisen since 30 September 2017 that have significantly affected, or may significantly affect the company's operations in future financial years, the results of those operations in future financial years of the Company's state of affairs in future financial years.

Company Information

CropLogic is a New Zealand agronomy services company listed on the Australian Securities Exchange (ASX) and currently servicing approximately 60,000 acres or 30% of the potato market in Washington State, USA.

CropLogic offers large scale crop growers with agronomic expertise based upon scientific research and delivered with cutting edge technology - science, agronomy and technology interwoven into an expert system for decision support.

CropLogic builds upon 30 years of scientific research by The New Zealand Institute of Plant and Food Research, an internationally-recognised Crown Research Institute. The CropLogic analytical platform gathers crop data via in-field sensors coupled with satellite communications, before processing this with proprietary scientific models to predict outcomes and optimise field productivity. Skilled agronomists help present this information to the grower and assist them in their critical decision making process.

The CropLogic system has been developed with the benefit of over 500 field trials throughout Australia, China, New Zealand, and the United States of America. In 2017 the system was commercially launched into Washington State, USA.

For further information please contact:

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2017 Half yearly Financials

Condensed consolidated statement of financial position

As at 30 September 2017

	Note	30-Sep-17 $	31-Mar-17 $
		(unaudited)	(unaudited)
Equity			
Share capital	9	14,484,972	4,101,789
Retained earnings (losses)		(5,503,365)	(4,883,042)
Reserves		157,106	78,615
Total Equity		**9,138,713**	**(702,638)**
REPRESENTED BY:			
Current assets			
Cash & cash equivalents		6,671,169	79,676
Trade & other receivables		526,758	30,212
Income tax receivable		1,318	197
Stock & work in progress		26,853	26,211
Other current assets		48,231	-
Total Current Assets		**7,274,329**	**136,296**
Current liabilities			
Trade & other payables		291,069	564,856
Borrowings		108,320	359,790
Contingent consideration - business combination		499,425	-
Other current liabilities		182,926	319,193
Total Current Liabilities		**1,081,740**	**1,243,839**
Working Capital		**6,192,589**	**(1,107,542)**
Non current assets			
Property, plant & equipment		693,654	39,323
Intangibles	10	1,540,403	1,091,925
Goodwill	8	1,899,008	-
Total Non Current Assets		**4,133,065**	**1,131,248**
Non current liabilities			
Borrowings		437,805	422,420
Convertible notes		-	303,924
Contingent consideration - business combination		749,136	-
Total Non Current Liabilities		**1,186,941**	**726,344**
Net Assets (Liabilities)		**9,138,713**	**(702,638)**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have not been audited.

Condensed consolidated statement of profit & loss and other comprehensive income

For the half year ended 30 September 2017

	Note	30-Sep-17 $	30-Sep-16 $
		(unaudited)	(unaudited)
Revenue	4	2,042,743	76,614
Total Revenue		**2,042,743**	**76,614**
Operational expenses		(1,081,549)	(173,464)
Research & development		-	(130,485)
General & administrative expenses	5	(679,120)	(237,009)
Depreciation & amortisation		(188,033)	(82,199)
Investment income		2,625	623
Finance costs		(35,586)	(6,641)
IPO & capital raising costs expensed through profit and loss		(639,951)	(34,871)
Net foreign exchange losses		(84,872)	(217)
Movements in items classified as fair value through profit or loss		(31,035)	-
Profit (loss) before tax		**(694,778)**	**(587,649)**
Taxation expense (benefit)		(74,455)	-
Profit (loss) for the period		**(620,323)**	**(587,649)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign exchange translation differences for foreign operations		41,657	53,197
Other comprehensive income (loss) for the period		**41,657**	**53,197**
Total comprehensive income (loss) for the period		**(578,666)**	**(534,452)**
Earnings per share			
From continuing operations			
- Basic (cents per share)		(1.07)	(6.50)
- Diluted (cents per share)		(1.07)	(6.50)

These financial statements are to be read in conjunction with the accompanying Notes. These statements have not been audited.

Consolidated statement of changes in equity

For the half year ended 30 September 2017

	Note	Issued capital $	Accumulated losses $	Share based payment reserve $	Foreign currency translation reserve $	Total equity $
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance at 1 April 2016		3,656,183	(3,315,164)	65,897	(64,846)	342,070
Loss for the period		-	(587,649)	-	-	(587,649)
Other comprehensive income for the period		-	-	-	53,197	53,197
Total comprehensive income		-	**(587,649)**	-	**53,197**	**(534,452)**
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)		429,787	-	-	-	429,787
		429,787	-	-	-	429,787
Balance at 30 September 2016		**4,085,970**	**(3,902,813)**	**65,897**	**(11,649)**	**237,405**
Balance at 1 October 2016		4,085,970	(3,902,813)	65,897	(11,649)	237,405
Loss for the period		-	(980,228)	-	-	(980,228)
Other comprehensive income for the period		-	-	-	24,366	24,366
Total comprehensive income		-	(980,228)	-	24,366	(955,862)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)		15,819	-	-	-	15,819
		15,819	-	-	-	15,819
Balance at 31 March 2017		**4,101,789**	**(4,883,042)**	**65,897**	**12,718**	**(702,638)**
Balance at 1 April 2017		4,101,789	(4,883,042)	65,897	12,718	(702,638)
Loss for the period		-	(620,323)	-	-	(620,323)
Other comprehensive income for the period		-	-	-	41,657	41,657
Total comprehensive income		-	(620,323)	-	41,657	(578,666)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)	9	10,383,183	-	-	-	10,383,183
Performance rights		-	-	102,731	-	**102,731**
Employee share options exercised		-	-	(65,897)	-	(65,897)
		10,383,183	-	36,834	-	10,420,017
Balance at 30 September 2017		**14,484,972**	**(5,503,365)**	**102,731**	**54,375**	**9,138,713**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have not been audited.

Condensed consolidated statement of cash flows

For the six months ended 30 September 2017

		Half-year ended	
Cash Flows from Operating Activities	**Note**	**30-Sep-17 $ (unaudited)**	**30-Sep-16 $ (unaudited)**
Cash receipts from customers		1,621,656	62,065
Receipts from government R&D tax incentive		113,057	-
Cash paid to suppliers and employees		(2,391,544)	(556,024)
Interest Income		2,625	623
Interest paid		(36,523)	1
Income tax paid		(1,091)	-
Net Cash Flows used in Operating Activities		**(691,820)**	**(493,335)**
Cash Flows from Investing Activities			
Payments for property, plant, and equipment		(56,683)	(72,391)
Purchase of businesses, net of cash acquired		(1,353,273)	-
Payments for intangibles		(926,590)	-
Net Cash Flows used in Investing Activities		**(2,336,546)**	**(72,391)**
Cash Flows from Financing Activities			
Proceeds from issue of shares	9	8,000,000	361,811
Payment for share issue costs		(604,858)	(27,680)
Proceeds from issue of convertible notes, net of costs		2,012,214	-
Proceeds from exercise of share options		270,932	-
Proceeds from borrowings		29,713	25,384
Repayment of borrowings		(75,484)	-
Net Cash Flows from Financing Activities		**9,632,517**	**359,515**
Net increase/(decrease) in cash and cash equivalents		6,604,151	(206,211)
Effects of exchange rate changes on the balance of cash held in foreign currencies		(12,658)	8,302
Cash at the beginning of the year		79,676	205,107
Cash at the End of the Year		**6,671,169**	**7,198**

These financial statements are to be read in conjunction with the accompanying Notes. These statements have not been audited.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

1. General Information

These interim financial statements are for CropLogic Limited ("the Company" or "CropLogic") and its subsidiaries (together "the Group"). The Company is a limited liability company incorporated in New Zealand and listed entity on the Australian Stock Exchange. The registered office of the Company is 11 Deans Avenue, Addington, Christchurch, 8011, New Zealand.

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. 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.

2. Statement of Accounting Policies

Statement of Compliance and Basis of Preparation

These are the interim financial statements for the Group for the six months ended 30 September 2017.

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) "Interim Financial Reporting" and International Accounting Standard IAS34 as applicable for profit oriented entities. Consequently these interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and any public announcements made by CropLogic during the interim reporting period.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Comprehensive Income and Statement of Financial Position on a historical cost basis are followed by the Group, unless otherwise stated in the Specific Accounting Policies. The information is presented in Australian dollars. All values are rounded to the nearest dollar.

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the External Reporting Board (the XRB) that are relevant to their operations and effective for the current half-year.

New and revised Standards, amendments and Interpretations effective for the current half-year that are relevant to the Group include:

- NZ IAS 7 Statement of Cash Flows
- NZ IAS 12 Income Taxes

Impact of the application of the amendments to NZ IAS 7 Statement of Cash Flows

The amendments provide additional disclosure on the changes in liabilities arising from financing activities. Specifically the standard requires a reconciliation between the amounts in the opening and the amounts in the closing statements of financial position for liabilities for which cash flows were or would be classified as financial activities in the statement of cashflows.

The Group is not required to complete this disclosure as part of the mandatory requirements of NZ IAS 34 and consequently has not included the reconciliation in these half-yearly accounts.

Impact of the application of the amendments to NZ IAS 12 Income Taxes

The amendments to NZ IAS 12 Income Taxes clarify that unrealised losses on debt instruments which are measured at fair value in the financial statements but cost for tax purposes can give rise to deductible temporary differences. As the Group does not hold any debt instruments the application of these amendments has had no impact on the Group's consolidated financial statements.

Changes in Accounting Policies

Foreign currencies

During the period the Group elected to change its presentation currency from New Zealand dollars to Australian dollars. In accordance with NZ IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the Group determined that the change in presentation currency provided users of the financial statements with more relevant and reliable information. The impact of this change is retrospective and all comparable financial information presented in this half-yearly report has been restated in Australian dollars according to the foreign currency accounting policy of the Group.

Other than the change identified above there have been no further changes in accounting policies. All other policies have been applied on a basis consistent with those from previous financial statements.

Critical Judgements in Applying Accounting Policies

In preparing these financial statements, the Group has made estimates and assumptions concerning the future in order to determine certain balances at reporting date. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. All estimates in these financial statements are consistent with those from previous financial statements.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

2. Statement of Accounting Policies (continued)

Significant Changes in the Current Reporting Period

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 September 2017:

The Group completed an Initial Public Offering ("IPO") of its securities on the Australian Stock Exchange on 12 September 2017, and raised additional capital of $8 million. Total expenditure of $2.23 million was incurred during the period as a result of the IPO (predominantly broker fees and commissions, legal and accounting fees) of which $1.59 million has been offset against share capital as outlined in note 8.

In April 2017 the Group completed a purchase of the assets of Professional Ag Services Inc as detailed in note 7. Consequently all comparatives figures presented in the half-yearly report exclude any information relating to these operations.

3. Segment Information

The Chief Executive Officer and members of the executive team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms two operating segments.

The operating segments of the Group are composed of the following business operations:

- New Zealand
- United States

The United States segment relates to the operations of ProAg CropLogic LLC, a wholly-owned Company incorporated in March 2017. The assets of Professional Ag Services Inc. a US based Company were purchased by the Group during April 2017. As the current period is the first that this entity has traded as part of the group there are no comparative figures for the segment.

Seasonality of Revenue

The US operations run during the potato season which is February to October. As such, the first 6 months of the Group's financial year include the majority of the sales generated by the US subsidiary. As revenue relates to a 6-month season it has been recognised as it is incurred and there has been no deferral or spreading of this income across the full 12 months of the financial year.

3. Segment Information (continued)

Financial Information

	Revenue Half-year ended		Segment profit Half-year ended	
	30-Sep-17 $	30-Sep-16 $	30-Sep-17 $	30-Sep-16 $
New Zealand	36,158	76,614	(1,817,536)	(587,649)
United States	2,006,585	-	1,122,758	-
Profit before tax			(694,778)	(587,649)
Income tax expense (benefit)			(74,455)	-
Consolidated segment revenue and profit for the period	**2,042,743**	**76,614**	**(620,323)**	**(587,649)**

The revenue above represents revenue generated from external customers. **There were no intersegment sales during the half-year.**

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

3. Segment Information (continued)

Financial Information

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets		Liabilities	
	30-Sep-17 $	30-Sep-16 $	30-Sep-17 $	30-Sep-16 $
New Zealand	7,672,186	1,267,545	2,118,139	1,970,183
United States	3,735,208	-	150,542	-
Total Assets	**11,407,394**	**1,267,545**	**2,268,681**	**1,970,183**

4. Revenue

	Half-year ended	
	30-Sep-17 $	30-Sep-16 $
Sale of services	2,021,144	16,636
Sale of products	21,599	59,978
	2,042,743	**76,614**

5. General and adminsistrative expenses

	Half-year ended	
	30-Sep-17 $	30-Sep-16 $
Professional Ag Services Inc acquisition related costs	17,378	-
Directors fees and associated costs	94,675	17,433
Employee benefit expenses	254,432	152,904
Other expenses	312,635	66,672
	679,120	**237,009**

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

6. Reconciliation of Cash Flows from Operations

	Half-year ended	
	30-Sep-17 $	30-Sep-16 $
Profit/(loss) for the period	(620,323)	(587,649)
(Less)/plus non cash items		
Depreciation & amortisation	188,033	82,199
Write off of low value assets	59,579	-
Financial instruments at FVTPL	31,035	-
Net foreign exchange (gains)/losses	84,872	217
Performance rights	102,731	-
(Less)/plus changes in working capital		
Decrease/(increase) in trade & other receivables	(525,911)	(17,667)
Decrease/(increase) in current tax receivable	(1,134)	(58)
Decrease/(increase) in stock & work in progress	(2,031)	2,835
(Decrease)/increase in trade & other payables	125,862	117,160
(Decrease)/increase in other current liabilities	(134,533)	(90,372)
Net cash inflow/(outflow) from operating activities	**(691,820)**	**(493,335)**

7. Acquisition of Subsidiary

On 28 April 2017 the Group acquired the net assets of a US entity Professional Ag. Services Inc. These were purchased by the Group's US subsidiary entity CropLogic ProAg LLC, which now operates the business. Professional Ag. Services Inc. was a provider of Agronomy Services and the business was acquired with the purpose of acquiring an existing market into which the probe IP could be implemented.

Consideration transferred	$
Cash	1,428,762
Contingent Consideration arrangement	1,274,158
	2,702,920

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

7. Acquisition of Subsidiary (continued)

The contingent consideration requires the Group to pay

- USD$420,000 on or before January 31, 2018, reduced by any amount that the gross revenue for the year ended December 31 2017 is less than USD$1,400,000; and
- USD$315,000 on or before January 31, 2019, reduced by 50% of any amount that the gross revenue for the year ended December 31 2018 is less than USD$1,400,000; and
- USD$315,000 on or before January 31, 2020, reduced by 25% of any amount that the gross revenue for the year ended December 31 2019 is less than USD$1,400,000.

On acquisition the total portion of consideration contingent on the above factors was $1,274,158. This was determined by reference to previous period's trading and represented the fair value of the obligation at the date of the transaction. The contingent consideration has been discounted at a rate of 6% which is the acceptable market rate for similar contingency payment plans in listed entities. An undiscounted estimate of the range of outcomes has been shown below. Management is of the opinion that it is highly unlikely that revenue expectations will not be met as gross revenue for the past three years has exceeded the levels set in the contingent payment schedule and as such the high range outcome is the most likely.

Payment Date	Payment Amount	Low	High
31 January 2018	536,477	-	536,477
31 January 2019	379,583	-	379,533
31 January 2020	358,098	-	358,098

Assets acquired and liabilities assumed at the date of acquisition	$
Current assets	
Cash & cash equivalents	75,489
Trade and other receivables (i)	250,959
Non-current assets	
Plant & equipment	777,541
Current liabilities	
Trade & other payables	(250,959)
Borrowings - short term	(136,601)
	716,429

(i) Trade and other receivables acquired with a fair value of $250,959 had gross contractual amounts of $250,959. The best estimate at acquisition date of the contractual cash flows not expected to be collected is $0.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

7. Acquisition of Subsidiary (continued)

Goodwill arising on acquisition	$
Consideration transferred	2,702,920
Less: fair value of identifiable net assets	(716,429)
Intangible assets arising on acquisition	**1,986,491**

As the acquisition of Pro Ag was only completed on 28 April 2017, the accounting for the business combination at 30 September 2017 is provisional.

Net cash outflow arising on acquisition	$
Consideration paid in cash	1,428,762
Less: cash and cash equivalent balances acquired	(75,489)
	1,353,273

Impact of acquisition on the results of the Group

Included in the profit for the half-year is $1,122,752 ($864,519 USD) attributable to ProAg CropLogic LLC. Revenue for the half-year includes $2,006,585 ($1,545,635 USD) in respect of ProAg CropLogic LLC.

8. Goodwill

	Half-year ended	
Gross carrying amount	30-Sep-17 $	31-Mar-17 $
Balance at the beginning of the period	-	-
Additional amounts recognised frombusiness combinations (Note 7) occurring during the period	1,986,491	-
Adjustments resulting from the subsequent recognition of deferred tax assets	-	-
Effects of foreign currency exchange differences	(87,483)	-
Balance at the end of the period	**1,899,008**	**-**
Accumulated impairment losses		
Balance at beginning of the period	-	-
Impairment losses for the period	-	-
Effects of foreign currency exchange differences	-	-
Balance at the end of the period	-	-
Balance at the end of the period	**-**	**-**
Net book value		
At the beginning of the period	-	-
At the end of the period	**1,899,008**	**-**

In April 2017 the Group purchased the assets of Professional Ag Services Inc. a US-based Company. Initial cash consideration totalled US$800,000 plus loans forgiven of US$270,000. Contingent consideration totalling US$1,050,000 (contingent consideration has been fair valued as outlined in note 7) is also payable over a 3 year period contingent upon the business achieving specified revenue targets. The net on-balance sheet assets acquired totalled AU$716,429.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

9. Share Capital

(a) Ordinary Shares

	30-Sep-17 $	30-Sep-17 Ordinary Shares	30-Sep-17 Preference Shares
Opening Balance at beginning of Period	4,101,789	36,584	142,824
Conversion of Preference Shares to Ordinary Shares	-	142,824	(142,824)
Subdivision of shares	-	50,413,648	-
Share Options Exercised	346,242	3,303,348	-
Conversion of all outstanding Convertible Notes	2,591,492	24,174,996	-
Costs directly attributable to the cost of conversion of Convertible Notes	(78,060)	-	-
Promoter Shares associated with the pre-IPO raising	181,608	908,040	-
Cost of Promoter Shares associated with the pre-IPO raising	(181,608)	-	-
Fully paid ordinary shares issued at $0.20 at Initial Public Offering	8,000,000	40,000,000	-
Costs directly attributable to the cost of issuing shares in the Initial Public Offering	(584,491)	-	-
Shares issued to the Lead Manager for the underwrite	750,000	3,750,000	-
Cost of the shares issued to the Lead Manager for the underwrite	(750,000)	-	-
Shares issued to Management	108,000	540,000	-
Total Ordinary Shares	**14,484,972**	**123,269,440**	**-**

(b) Preference Shares

	31-Mar-17 $	31-Mar-17 Ordinary Shares	31-Mar-17 Preference Shares
Opening balance at beginning of period	3,656,183	27,474	142,824
Shares issued for cash	496,650	9,110	-
Capitalised equity costs	(51,044)	-	-
Total Preference Shares	**4,101,789**	**36,584**	**142,824**

All preference shares converted to ordinary shares during the period.

Share issue transaction costs during the period of A$1,594,159 (2016: A$51,044) have been netted off against the amount recognised in equity.

All shares rank equally with regard to the Group's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. The shares have no par value.

In July 2017, the Group undertook a share split. For each existing share and option, 282 additional shares and options were issued for nil consideration.

During the 2017 period (2016: Nil) the Group received services from directors and suppliers where payment was settled by the issue of ordinary shares. The value of services was measured as the fair value of the shares issued. The fair value of the shares was based on the prices paid for equivalent shares by non-employee third parties at the same time.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

9. Share Capital (continued)

Long Term Incentive Plan

On 23 June 2017, the Group issued 1,125,925 ordinary shares worth A$102,731 in three classes under its long term incentive plan for selected executives: Class A (533,333 shares), Class B (355,555 shares) and Class C (237,037 shares). The performance hurdles are:

- **(Class A):** The Group'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 Group's shares on ASX
- **(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
- **(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"

The Group had 123,269,440 ordinary shares on issue at 30 September 2017.

10. Intangibles

	30-Sep-17 $	31-March-17 $
Development assets	504,258	-
Intellectual property rights	33,008	37,490
Plant & Food IP rights	377,715	392,132
Telemetry intellectual property & related customer relationships	622,249	662,303
Trademarks	3,174	-
Total Intangibles	**1,540,403**	**1,091,925**

During the period management deemed that all research and development had entered the development phase and in accordance with NZ IAS 38 Intangible Assets the costs associated with these for the period were capitalised to create development assets.

Intellectual Property Rights have a cost value of AU$94,308, and are amortised on a straight line basis for the period at AU$4,482.

Plant & Food Intellectual Property Rights have a cost value of AU$423,154, and were acquired on 31 May 2016. They provide CropLogic rights to market, promote, distribute and supply the system and method for managing and predicting crop performance in the commodities of Cotton, Soybean, Maize and Wheat in the jurisdiction of the United States of America. They have been amortised on a straight line basis for the period at AU$14,417.

Development assets relate to the capitalisation of costs incurred for the commercialisation of the agronomy probes. The asset has been amortised over 5 years. Amortisation for the period was AU$56,029

Telemetry Intellectual Property and related customer relationships of Indigo Systems were acquired in October 2014 at a cost of AU$883,667 and are amortised on a straight line basis for the period at AU$40,054. The Telemetry Asset acquired relates to IP, hardware, proprietary software stack, and backend systems required to manage the communication of data from field-based data acquisition devices to the CropLogic "cloud", where that data is analysed and presented in a usable manner for decision support. Combined with the existing low-power long-range mesh networking technology, this IP is an important part of CropLogic's data acquisition capability.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

11. Financial Instruments

(a) Fair Value of Financial Liabilities Held at Fair Value through Profit or Loss

The Group's financial liability relating to contingent consideration is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of this financial liability is determined (in particular, the valuation technique(s) and inputs used).

NZ IFRS 13 provides for a three-level fair value hierarchy that requires inputs to valuation techniques used to measure fair value, to be categorised as follows:

- **Level 1 Inputs** - quoted prices (unadjusted) in active markets for identical liabilities that the entity can access at the measurement date.
- **Level 2 Inputs** - either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1.
- **Level 3 Inputs** - inputs for the liability that are not based on observable market data (unobservable inputs).

Financial Liability	Fair value as at 30/09/2017	Fair value as at 30/09/16	Fair value hierarchy	Valuation technique
Contingent consideration in Professional Ag Services Inc business combination	1,248,561	-	Level 3	Discounted cash flow

Significant unobservable inputs and relationship of unobservable input to fair value:

- Discount rate of 6% has been used in the discounting of the expected cash flows. A slight increase in the discount rate used in isolation would result in a significant decrease in the fair value. A 5% increase/decrease in the discount rate used while holding all other variables constant would decrease/increase the carrying amounts of the contingent liability by $3,300.
- Other than the Contingent Consideration outlined above the fair value of the Group's financial assets and liabilities is considered to be approximately equal to their carrying amount. The Group has no other assets or liabilities that are measured at fair value.
- Based on historical performance, it was determined highly probable Pro Ag would generate gross revenue in excess of the performance hurdle in each of the fiscal years ending 31 December 2017, 2018 and 2019. Probability adjusted revenues had no effect on the contingent consideration due. A 5% decrease in the probability-adjusted revenues while holding all other variables constant would have no effect on the contingent consideration due.

Reconciliation of Level 3 Fair Value Measurements	30-Sep-17 $	30-Sep-16 $
Opening Balance	-	-
Contingent Consideration as a result of business combination	1,274,158	-
Total gains or losses:		
- in profit or loss	(31,035)	-
Effects of foreign currency exchange differences	5,438	-
	1,248,561	**-**

(b) Financial Risk Outline

Liquidity Risk

Management and the Board monitor cash forecasts of the Group's liquidity reserve on the basis of expected cash flow, to enable the Board to determine the funding needs and to ensure the Group meets its future operating requirements.

The following table sets out the contractual, undiscounted cash flows for non-derivative financial assets and liabilities:

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

(b) Financial Risk Outline (continued)

Credit Risk

Financial instruments which potentially subject the Group to credit risk, principally consists of bank balances and receivables, the maximum potential exposure to credit risk is $7.25 million (30 September 2016: $0.07 million). The Group monitors the credit quality of its major financial institutions that are counter-parties to its financial statements and does not anticipate on-performance by the counter-parties. All financial institutions have a credit rating of AA-.

The Group has not provided any guarantees or collateral and has no securities registered against it. The Group does not have any significant concentrations of credit risk apart from its deposits with large and reputable banks.

	On Demand	Not later than one month	Later than one month and not later than one year	Later than one year
	$	$	$	$
Financial Assets				
Cash & cash equivalents	6,671,169	-	-	-
Trade & other receivables	-	526,758	-	-
	6,671,169	**526,758**	**-**	**-**
Financial Liabilities				
Trade & other payables	-	291,069	-	-
Borrowings	-	-	108,320	437,805
Contingent consideration	-	-	499,425	749,136
	-	**291,069**	**607,745**	**1,186,941**

Foreign currency risk management

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk currently arising as a result of undertaking commercial transactions involving the Australian dollar and US dollar, and also as a result of holding cash and cash equivalents in Australian dollars and US dollars. The Group does not use any derivative financial instruments to manage this foreign currency risk due to the minimal and short-term nature of this exposure.

12. Subsidiaries

Name of Subsidiary	"Place of Incorporation and Operation"	Segment profit Half-year ended 30-Sep-17	31-Mar-17	30-Sep-16
Indigo Systems Limited	New Zealand	100%	100%	100%
CropLogic USA LLC	Delaware, USA	100%	100%	0%
ProAg CropLogic LLC	Washington, USA	100%	100%	0%
CropLogic Australia PTY LTD	WA, Australia	100%	0%	0%
Lincoln Agriculture PTY LTD	WA, Australia	100%	0%	0%
CLPA Holding Company	Washington, USA	100%	0%	0%

The following wholly owned subsidiaries were incorporated during the period: CropLogic Australia PTY LTD, Lincoln Agriculture PTY LTD, and CLPA Holding Company. These subsidiaries are currently not operational.

Notes to and forming part of the Financial Statements

For the six months ended 30 September 2017

13. Capital Commitments

Commitments in relation to the lease of premises are payable as follows:

Consolidated	30-Sep-17 $	30-Sep-16 $
Within 1 year	169,314	-
Later than one year but not later than five years	476,560	-
Later than five years	-	
	645,874	**-**

14. Contingent Liabilities

During the period, CropLogic received NZ$121,319 (A$111,601) from the New Zealand Inland Revenue under the Research and Development Tax Losses ""Cash Out"" scheme. In total the Group has now received NZ$261,319 (A$240,387). 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.

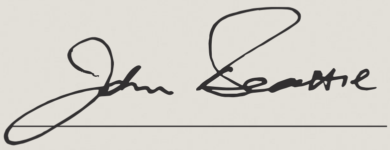
Other than this the Group has no contingent liabilities as at 30 September 2017.

Directors' Declaration

The directors of CropLogic Limited (the company):

1. Authorise for issue, the financial statements and notes set out in this report; and
2. There are reasonable grounds to believe that CropLogic Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr John Beattie
Non-Executive Chairman

For and on behalf of
CropLogic Limited

30th November 2017
Christchurch, New Zealand

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF CROPLOGIC LIMITED

Report on the Interim Financial Statements

We have reviewed the accompanying interim condensed financial statements of CropLogic Limited ("the Company"), which comprise the condensed statement of financial position as at 30 September 2017, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and selected explanatory notes. The Group comprises the Company and the entities it controlled at 30 September 2017, or from time to time during the period.

Director's Responsibility for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting ("NZ IAS 34") and International Accounting Standard 34 ("IAS 34") and for such internal controls as the Directors determine are necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410"). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34 and IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditors perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm has carried out other services for the Group through the completion of the Investigating Accountant's Report, included in the Company's Initial Public Offering Prospectus dated 13 July 2017. The provision of these other services has not impaired our independence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2017 and the performance and cashflows for the six month period then ended in accordance with NZ IAS 34 and IAS 34.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body for our review procedures, for this report, or for the conclusion we have formed.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 November 2017

TUTU PHONG
Partner

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