

31 October 2019

CROPLOGIC UPDATE FOR THE QUARTER ENDING 30 SEPTEMBER 2019

Quarter Highlights

- Significant progress at Hemp Trial Farm made during the quarter
- Including completion of the following stages:
 - Growing | Flowering | Compliance Testing
 - And Commencement of Harvesting
- Biomass Supply Agreement secured during quarter – A\$15 million contract
- Season comes to a close for Washington State, Idaho (and Oregon) operations;
- Investigation into potential expansion of operations in Oregon and Australia progressed.



Figure 1: Super Sacks (Sometimes called bulka bags in Australia and New Zealand) of biomass at Hemp Trial Farm waiting to be weighed and tagged ahead of storing in shedding

CropLogic Limited (ASX: CLI) (CropLogic or Company), award-winning global agronomy, farm management and agtech company provides an update on its activities for the quarter ended 30th September 2019 (the **Quarter**) and Appendix 4C.

The recent quarter saw CropLogic deliver many milestones at its Hemp Trial Farm in Central Oregon through the application of the Company’s agronomy, farm management and agtech expertise. The Company completed planting, growing and crop management to achieve a successful industrial hemp compliance test result. The Company’s first offtake agreement was completed with the door open for the Company to maximise returns going forward.

The Hemp Trial Farm aside the quarter has also been a busy one for the Group’s operations in Washington State, Idaho and Oregon. Now that the season is coming to an end the

The eight stages of hemp farming

LogicalCropping’s farm plan consists of eight stages, based on the needs of the farm and plants.

These various stages of the farm plan are (with indicative timeline):

✓ Pre-planting	Completed
✓ Planting	Completed
✓ Growth, Maintenance & Management	Underway
✓ Flowering	Commenced
✓ Compliance Testing	Completed
✓ Harvest	Underway
✓ Processing/Sale	Underway
• Post-harvest	Nov – Dec

progress in these regions will be assessed and plans for 2020 will be developed.

The Company’s investigation into expansion of its hemp cropping operations in Oregon in the next growing season progressed during the period. As did the Company’s investigation into the Australia Hemp market. The findings from these investigations are likely to be announced in the coming months. In anticipation of the results of these investigations some changes have begun to be implemented including a reduction of human resources at the Mildura, Australia office.



Figure 2: A combine harvester unloading a load of biomass at field Draco

In the coming quarter CropLogic will continue with execution of the final stages of its farm plan at the hemp trial farm, continue to pursue further sales avenues for its remaining biomass, start to process and pursue sales of trimmed flower product as part of from the Shephard Brother’s Joint Venture, progress investigations into a potential expansion of Oregon hemp operations and the Australia hemp market, and progress plans for its Washington State, Idaho and Oregonian operations for the 2020 season.

For further information please contact:

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About CropLogic

CropLogic is an award-winning global agricultural technology company listed on the Australian Securities Exchange (ASX). After launching its product into Washington State, USA in 2017, CropLogic is currently servicing a significant portion of horticultural growers in this region, with a market share as high as 30% in some crops. Following significant growth in Washington State and Northern Oregon, in 2018, CropLogic expanded into the Idaho market. CropLogic offers growers of irrigated



Figure 3: A combine harvester collecting and processing biomass on field Aries

crops with digital agricultural technology expertise based upon scientific research and delivered with cutting edge technology – science, agronomy and technology interwoven into an expert system for decision support. For more information, please visit: <http://www.croplogic.com/>

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

CropLogic Limited

ABN

619 330 648

Quarter ended ("current quarter")

30 Sept 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1184	1648
1.2 Payments for		
(a) research and development	-	(73)
(b) product manufacturing and operating costs	(2968)	(5894)
(c) advertising and marketing	(95)	(120)
(d) leased assets	-	-
(e) staff costs	(111)	(198)
(f) administration and corporate costs	(620)	(957)
(g) Investor Relations	(115)	(142)
(h) Salaries - Operations	(917)	(1676)
(i) Subscriptions	(15)	(26)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	(7)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Cash receipts from other operating activities	(65)	(50)
1.9 Net cash from / (used in) operating activities	(3726)	(7494)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(218)	(333)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(218)	(333)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1650	4768
3.2 Proceeds from issue of convertible notes	1350	4553
3.3 Proceeds from exercise of share options	573	573
3.4 Transaction costs related to issues of shares, convertible notes or options	(280)	(648)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other cash items from financing activities	22	30
3.10 Net cash from / (used in) financing activities	3315	9276

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2707	647
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3726)	(7029)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(218)	(776)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3315	9276
4.5 Effect of movement in exchange rates on cash held	22	(18)
4.6 Cash and cash equivalents at end of quarter	2100	2100

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2080	2687
5.2 Call deposits	20	20
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2100	2707

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(52)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 Director fees paid	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	(287)	(287)
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Group holds financing facilities in the form of credit cards with the following lenders;
NAB
Security on these facilities consists of various director guarantees
The Group has also entered into asset finance agreements with Ally Bank.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(3,324)
9.3 Advertising and marketing	(17)
9.4 Leased assets	
9.5 Staff costs	(1,064)
9.6 Administration and corporate costs	(336)
9.7 Other (provide details if material)	(20)
9.8 Total estimated cash outflows	(4,761)

The Company is an operating business that generates cash inflows, including receipts from customers. The above summary of anticipated cash outflows does not fully reflect the anticipated net cashflows for the following quarter, as it excludes inflows (such as receipts from customers). The Company estimates inflows from customer receipts to be A\$ 2,919,000 generating a net cash outflow for the quarter of A\$ 1,842,000.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31 October 2019

Print name: Susan Hunter

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.