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ASX Announcement

New Zealand | Australia | USA

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25<sup>th</sup> September, 2017

- 1. CropLogic admitted to the Official List of the Australian Securities Exchange**
- 2. CropLogic establishes Australian corporate structure**
- 3. CropLogic expands Research and Development programme**
- 4. Deployment of up to 1,000 probes to the US market commences**

#### **1. CropLogic admitted to the Official List of the Australian Securities Exchange**

CropLogic Limited, which generated AUD\$2.24 million in revenues in the year ended Mar 2017 from providing agronomy services around the world, including servicing 30% of the potato market in Washington State (USA), is pleased to announce that it has been admitted to the official list of the Australian Securities Exchange (ASX) on 12<sup>th</sup> September 2017. A listing event was held in Sydney Australia, was attended by the Board and investor representatives, and well covered by the media.

#### **2. CropLogic establishes Australian corporate structure**

CropLogic is also pleased to announce that it has begun establishing an Australian corporate structure ahead of commercial activities in this region. As an agronomy services company with a global growth strategy, CropLogic has been clear about its strategy to initiate market entry via acquisition. As outlined in the Company's prospectus (dated 13 July 2017) this model is based upon acquisition of targets that provide key strategic attributes and regional market share, and into which CropLogic's technology can be introduced to drive efficiencies and increase revenue.

These acquisitions are to be used as a channel for further regional growth. A recent example of this strategy is the acquisition of Professional Ag Services LLC in Washington State (USA) which services 30% of that State's potato market and into which CropLogic technology is being progressively implemented.

CropLogic has previously highlighted Australia as being a growth market alongside the USA. Since listing, CropLogic has actively commenced its market entry strategy and entertained discussions relating to commercial joint venture and significant research/commercial collaboration.

While legislation between the New Zealand and Australia is such that as a foreign New Zealand company CropLogic can operate in Australia, active commercial discussions in the Australian region mean that the Company feels it is now appropriate to establish a formal Australian corporate structure.

### **3. CropLogic expands Research and Development programme**

CropLogic has a good history of development and commercialisation of agricultural technology. This includes the CropLogic system that is being deployed to the Pacific Northwest of the USA, a region that generated AUD\$2.1 million in revenues for the group in the year ending 31 March 2017.

The Company's prospectus outlined that part of the use of funds would include up to AUD\$2.6 million to be spent on Research and Development. The Company is pleased to announce that this process has begun.

The Company's approach to research and development includes science and technology that can enhance its current agricultural technology offering, reducing service costs and increasing revenue within the Company's current client base whilst also increasing the addressable market. Current research and development includes enhancement of the Company's aerial imagery, soil moisture modelling, and remote monitoring capabilities. The Company is also developing and enhancing its core modelling platform.

Through the introduction of cutting edge technology into a traditionally labour-intensive agronomy services model, CropLogic can provide the same services with a greatly reduced delivery cost base as compared to competitors. The technologies currently being developed have the potential to further reduce processing time and labour hours required in the delivery of key agronomy services, in some instances by as much as 70%.

CropLogic will provide further updates as these technologies are introduced to the market in the upcoming year.

### **4. Deployment of up to 1,000 probes to the US market commences**

The CropLogic Group currently services approximately 60,000 acres, or 30% of the potato market in Washington State, USA. The growing season for potatoes in this region runs from March to September. Immediately following the acquisition of



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Professional Ag Services, and prior to the start of the current season, approximately 100 remote probes were deployed into fields. This deployment has been successful, well received and demand has outstripped supply.

The Company's prospectus specified that up to AUD\$3 million of the funds raised would be spent on market development, and this includes deployment of further infrastructure to service the US market. As such the Company aims to deploy up to 1,000 probes to the USA market prior to the growing season commencing in March 2018. This would see the 60,000 acres currently under management fully serviced by its remote-sensing technology. The Company is pleased to announce that this process has commenced.

Deployment of these probes has the effect of reducing the Group's per-acre service delivery cost through a significant reduction in the amount of in-field time required, whilst increasing the accuracy, regularity, and detail of information upon which CropLogic's agronomists base their decisions. This combination of benefits will allow CropLogic to scale existing resources and profitability beyond the limitations facing traditional agronomy service businesses.

### **About CropLogic**

Building on technology developed over 30 years out of The New Zealand Institute for Plant and Food Research, a New Zealand Crown Research Institute, and over 600 field trials in four nations, the CropLogic system gathers field data, via in-field sensors coupled with satellite communications, before processing that through its proprietary technology to provide decision support to growers to help them improve the productivity of their crops.

Successful trials of the CropLogic system have been completed on potatoes in China, USA, Australia and New Zealand with four of the major multinational potato processors. Further to this, CropLogic is poised to start trials of the CropLogic system in other commodities such as corn, wheat, soybean and cotton.

For more information please visit: <http://www.croplogic.com/>

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