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# Quarterly Activities Report

March 2018

## Highlights

- Deployment of CropLogic technology ahead of the Pacific North West Growing Season; and
- New Board Appointments;
  - Appointment of the Hon. Cheryl Edwardes AM as Chair;
  - Appointment of Dr Andrew Whitehead as Director;
- Share Sale Agreement signed for strategic Tasmanian acquisition; Completion subject to Due Diligence.
- Corporate:
  - Change in Corporate Structure;
    - i. Resignation of MD, appointment of CEO;
    - ii. Streamlining of Company processes;
    - iii. Intention to move head office to key revenue target market Australia.

### Deployment of CropLogic technology ahead of the Pacific North West Growing Season

As announced on the [3 April 2018](#) the Group has commenced the deployment of sensor technology in the Pacific Northwest region of United States of America ahead of the upcoming growing season. This rollout follows on from a successful 2017 growing season and is underpinned by increasing support from major growers in the region.

The majority of these are being allocated and used by existing customers in order to transform current cropping systems, with an expected increase in value added and revenue generated for the Company.



Figure 1: CropLogic agronomist installs sensor in field in Washington State, USA



*Figure 2: CropLogic sensor located in Washington State ready for deployment ahead of the Pacific North West growing season*

The combination of in-field sensors and aerial imagery can substantially reduce the amount of time that an agronomist needs to spend in the field, whilst increasing the ability to analyse what is happening across large-scale fields and increasing the accuracy of their decision making.

The benefit for an agronomist is the ability to service more acres more reliably at a lower cost than under traditional models. This provides the agronomist with more time for grower interaction and complex problem solving.

### **New Board Appointments**

Reflecting the Company's plans to broaden the mix of skills and business experience within the Board two appointments have been made since the last quarterly report.

As announced on the [1 March 2018](#) the Honourable Cheryl Edwardes A.M. was appointed as the new Chairperson and Director of the Company. Mrs. Edwardes has a long and distinguished political and commercial career, most notable the first female Attorney General for Western Australia, Minister for Environment and Labour Relations, and was the Member for Kingsley for nearly 17 years. Mrs. Edwardes was awarded an Order of Australia in the Queen's Birthday Honours 2016. A current Senior Advisor in the Public and Government Affairs team for NASDAQ listed FTI Consulting, Mrs. Edwardes was appointed as a member of the Australian Federal Government agency the Foreign Investment Review

Board in August 2017. Mrs. Edwardes also has considerable commercial and ASX experience and is a Company Director on a number of Boards of private companies, not-for-profits and ASX listed companies including, Atlas Iron Limited (ASX:AGO), Auscann Limited (ASX:AC8) and Vimy Resources Limited (ASX:VMY).

Further to Mrs. Edwardes appointment Dr. Andrew Whitehead was appointed to the Board on Friday [6 April 2018](#). Having worked previously in Beijing, China and speaking Mandarin many of Dr. Whitehead's previous roles have involved working closely and negotiating with Chinese counterparties. This previous work history has included working for Chinese state-owned enterprises. As a result Dr. Whitehead brings to the Board a unique understanding of the intricacies of doing business in China, a target market for CropLogic.

Further to this Chinese experience Dr. Whitehead's career has seen him work for companies operating in a broad range of jurisdictions around the world, include Australia, New Zealand, Asia, Africa and the USA. As such Dr. Whitehead's appointment adds to the Board's global perspective and knowledge base. Of particular interest to CropLogic is Dr. Whitehead's experience with the USA where, amongst a general understanding of this market gained through working for companies operating there, previous roles have seen Dr. Whitehead successfully engage with both State and Federal levels of government in this country.

A graduate of Oxford University and Phd in Economic and International Business from Flinders University (Adelaide) Dr. Whitehead has previously been successful in using his expertise and knowledge to increase revenue, reduce costs and obtain debt and commercial finance for the companies he has been involved in.

CropLogic continues to review the skills matrix of the Board and seek out suitable candidates that may add value here.

#### **Share Sale Agreement signed for strategic Tasmanian acquisition**

As announced on the [3 April 2018](#) the Group has entered into a Share Sale Agreement (Acquisition) for its first strategic 'beachhead' acquisition in Australia of agronomy services company, Ag Logic Pty Ltd (Ag Logic), based in a key Australian potato growing state, Tasmania. Completion of the Share Sale Agreement is subject to several conditions including successful completion of due diligence. Subject to satisfaction of these conditions the parties have agreed the settlement date of the Share Sale Agreement to be 18 May 2018.





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### **Corporate**

The Company announced on the [26 April 2018](#) the resignation of Managing Director Jamie Cairns and the appointment of James Cooper-Jones as acting Chief Executive Officer.

Further to the review of the Board's mix of skills the Company continues to access its processes and identify efficiencies and value adding opportunities.

An Appendix 5B Cashflow report is attached to the document.

### **About CropLogic**

CropLogic is an award winning 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 more information please visit: <http://www.croplogic.com/>

### **For further information please contact:**

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## 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")**

31 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	98	2,136
1.2 Payments for		
(a) research and development	(1,245)	(2,089)
(b) product manufacturing and operating costs	(694)	(2,459)
(c) advertising and marketing	(34)	(97)
(d) leased assets	-	-
(e) staff costs	-	(45)
(f) administration and corporate costs	(215)	(810)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	18
1.5 Interest and other costs of finance paid	(1)	(50)
1.6 Income taxes paid	(10)	(86)
1.7 Government grants and tax incentives	-	112
1.8 Other (provide details if material)	24	(16)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,069)</b>	<b>(3,386)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(52)	(193)
(b) businesses (see item 10)	(503)	(1,856)
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) intellectual property	-	(358)
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(555)</b>	<b>(2,407)</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of shares	-	8,000
<b>3.2</b> Proceeds from issue of convertible notes	-	2,013
<b>3.3</b> Proceeds from exercise of share options	-	271
<b>3.4</b> Transaction costs related to issues of shares, convertible notes or options	-	(1,521)
<b>3.5</b> Proceeds from borrowings	-	30
<b>3.6</b> Repayment of borrowings	(14)	(102)
<b>3.7</b> Transaction costs related to loans and borrowings	-	-
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>(14)</b>	<b>8,691</b>

<b>4.</b> <b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
<b>4.1</b> Cash and cash equivalents at beginning of quarter/year to date	5,530	80
<b>4.2</b> Net cash from / (used in) operating activities (item 1.9 above)	(2,069)	(3,386)
<b>4.3</b> Net cash from / (used in) investing activities (item 2.6 above)	(555)	(2,407)
<b>4.4</b> Net cash from / (used in) financing activities (item 3.10 above)	(14)	8,691

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	40	(46)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,932</b>	<b>2,932</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,802	1,448
5.2	Call deposits	1,130	4,082
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,932</b>	<b>5,530</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

42

-

6.1 consists of directors fees paid.

**7. Payments to related entities of the entity and their associates**

- 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

**Current quarter  
\$A'000**

48

-

7.1 consists of consulting costs paid to a company controlled by the CFO as remuneration for services provided.

8. <b>Financing facilities available</b> <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	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	(104)	(104)
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;  
 BNZ  
 Homestreet  
 Barclays  
 Security on these facilities consists of various director guarantees.  
 The Group has also entered into asset finance agreements with Toyota Financial Services to finance the purchase of motor vehicles. These loans are secured against the vehicles purchased.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	553
9.2 Product manufacturing and operating costs	677
9.3 Advertising and marketing	18
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	210
9.7 Other (provide details if material)	(9)
<b>9.8 Total estimated cash outflows</b>	<b>1,449</b>

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 cash flows for the following quarter, as it excludes inflows (such as receipts from customers). The Company estimates net cash outflow for the next quarter (when considering such things as receipts from customers) to be A\$695,231.



10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Professional Ag Services Inc. (Progress payment for business acquisition included in Appendix4C for the Quarter Ended 30 September 2017)	-
10.2 Place of incorporation or registration	USA	-
10.3 Consideration for acquisition or disposal	503	-
10.4 Total net assets	284	-
10.5 Nature of business	Agronomy Services	-

### 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: .....  
(Company Secretary)

Date: 30 April 2018

Print name: James Cooper-Jones

### 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.