

ASX Announcement
31 October 2018

Quarterly Activities Report September 2018

Highlights:

- **Successful 2018 growing season in Pacific North West, USA (Washington, Oregon and Idaho)**
 - Multiple increase (5x) in take up of CropLogic technology
 - Further growth in the number of crop types where CropLogic technology and agronomy skills have been adopted
 - Growth strategy around key target crops in the Pacific North West (see Appendix 1)

- **Expansion into the Pacific North West**
 - Twin Falls, Idaho office
 - As announced on [29 October](#), CropLogic has set up an office in Twin Falls, Idaho
 - Idaho is a key target market for CropLogic
 - In collaboration with the College of Southern Idaho (CSI) and supported/facilitated by the City of Twin Falls and Southern Idaho Economic Development Organization (SIEDO)
 - Appointment of Western Territories Manager
 - Scott Barclay is an experienced agricultural sales executive
 - Appointed on 22 October 2018
 - Appointed to drive further growth of CropLogic's operations in the Western states of the USA, particularly the Pacific North West
 - CropLogic continues to investigate further growth into the Oregon market

- **Growth into the Australian Market**
 - Office in Mildura, Victoria well established
 - Appointment of two capable and experienced sales agronomists in September and October 2018
 - Orders and requests for proposals already received
 - Targeting key regionally lucrative crops
 - Almonds
 - Citrus
 - Vinegrapes
 - Olives

- **Technology development and research partnerships**
 - Time domain reflectometry-based (TDR) soil moisture probe
 - Key milestones in development of TDR technology achieved during period
 - In collaboration with Lincoln Agritech, New Zealand
 - Potential ground-breaking technology – this type of TDR unit supposedly not found currently in the industry
 - Stage 1 and Stage 2 have been completed. CropLogic will now review findings and investigating progression to Stage 3 (final stage)

- College of Southern Idaho
 - Office in Twin Falls, Idaho set up in collaboration with the College of Southern Idaho
 - Potential research collaboration opportunities being investigated

CropLogic's September 2018 quarter has been a successful one on the operational front. Key markets and milestones identified in the prior quarter, namely growth markets in Southern Australia and the Pacific North West have been researched and regional offices established. These developments have been in collaboration with local government agencies, research institutes and/or development corporations, greatly adding to the profile of CropLogic in these regions.

CropLogic's collaborations with Lincoln Agritech and the College of Southern Idaho reinforces CropLogic's commitment to create partnerships with research institutes and businesses around the world for the development of CropLogic's technology.

As explained to shareholders in the [June 2018 Quarterly Activities Report](#), CropLogic had successfully 'pivoted' from an acquisition focused strategy to one dominated by a direct and partnership sales model. Adding to this success, and further to the regional offices being established, as mentioned above, capable agricultural and agronomy sales staff have been recruited. As such, CropLogic is poised for growth in the December 2018 quarter and into 2019.

The most lucrative crops vary amongst CropLogic's regions of operation. Therefore, CropLogic's future growth will be steered by the crops that regionally present the best return for shareholders. A Crop Matrix outlining some of the crops CropLogic intends to target regionally is attached as Appendix 1.

About CropLogic

CropLogic is an award-winning New Zealand 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 there, in some crops having a market share as high as 30%. CropLogic offers growers of irrigated 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/>

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Appendix 1 – Crop Matrix

Key	Target or investigated in that year
	Serviced in that year
	Target service crop for 2019 season
	Not serviced or target crop

Year	2017				2018				2019							
Region	Crop Category	Crop	Variety	Comment	Crop Category	Crop	Variety	Comment	Crop Category	Crop	Variety	Comment				
Washington	Row Crops	Potatoes	Russet Burbank	Row crops, particularly potatoes had historically been CropLogic's core focus	Row Crops	Potatoes	Russet Burbank	The 2018 season saw a dramatic increase in the number of crops serviced	Row Crops	Potatoes	Russet Burbank	CropLogic will continue to service these crops in the 2019 season, looking to grow market share				
			Umatilla				Umatilla				Umatilla					
			Challenger				Challenger				Challenger					
	Agata	Agata	Agata													
	Canberra	Canberra	Canberra													
	Caribou	Caribou	Caribou													
	Lamako	Lamako	Lamako													
	Organic Yellow	Organic Yellow	Organic Yellow													
	Norkotah	Norkotah	Norkotah													
	Alturas	Alturas	Alturas													
Bintje	Bintje	Bintje														
Clearwater	Clearwater	Clearwater														
Ivory Russet	Ivory Russet	Ivory Russet														
Mini / Gourmet	Mini / Gourmet	Mini / Gourmet														
Ranger	Ranger	Ranger														
Sheapody	Sheapody	Sheapody														
	Onions	Organic Summer			Onions	Organic Summer			Onions	Organic Summer						
	Carrots	Summer Organic			Carrots	Summer Organic			Carrots	Summer Organic						
	Tree Stocks	Apples	Red delicious	These crops were investigated during the 2017 season including several 'trial' fields	Tree Stocks	Apples	Red delicious		Tree Stocks	Apples	Red delicious					
			Fuji				Fuji				Fuji					
			Gala				Gala				Gala					
			Granny Smith				Granny Smith				Granny Smith					
			Cosmic Crisp				Cosmic Crisp				Cosmic Crisp					
			Pink Lady				Pink Lady				Pink Lady					
			Cherries				Sweet Tart							Cherries	Sweet Tart	
		Bing				Bing				Bing						
		Rainier				Rainier				Rainier						
		Pears	Various			Pears	Various			Pears	Various					
		Nectarines	White			Nectarines	White			Nectarines	White					
			Yellow				Yellow				Yellow					
		Peaches	White			Peaches	White			Peaches	White					
			Yellow				Yellow				Yellow					
		Apricots	Various			Apricots	Various			Apricots	Various					
	Viticulture	Grapes	Wine Grapes		Viticulture	Grapes	Wine Grapes		Viticulture	Grapes	Wine Grapes					
		Table Grapes	Table Grapes			Table Grapes	Table Grapes			Table Grapes	Table Grapes					
	Hops/Hemp (Cannabaceae)*	Hops	Cannabaceae		Hops/Hemp (Cannabaceae)*	Hops	Cannabaceae		Hops/Hemp (Cannabaceae)*	Hops	Cannabaceae	Potential target growth crop see comments below**				
		Hemp	Cannabaceae	Not serviced		Hemp	Cannabaceae	Not serviced		Hemp	Cannabaceae					
	Forage / Fodder	Alfalfa / Lucerne			Forage / Fodder	Alfalfa / Lucerne			Forage / Fodder	Alfalfa / Lucerne						
		Timothy				Timothy				Timothy						
		Grass Seed				Grass Seed				Grass Seed						
Idaho	Area not serviced during this period				Area not serviced during this period				Row Crops	Potatoes	Various varieties	Key target crops for this region. See comment below.**				
									Onions	Various varieties						
									Carrots	Various varieties						
		Tree Stocks	Various fruit	Various varieties	Not serviced	Tree Stocks	Various fruit	Various varieties	Not serviced	Tree Stocks	Various fruit	Various varieties	Not a target crop			
		Nut Trees	Various varieties, particularly HazelNut			Nut Trees	Various varieties, particularly HazelNut			Nut Trees	Various varieties, particularly HazelNut					
	Viticulture	Grapes	Wine Grapes	Not serviced	Viticulture	Grapes	Wine Grapes	Not serviced	Viticulture	Grapes	Wine Grapes	Oregon has a well established wine industry				
		Table Grapes	Table Grapes			Table Grapes	Table Grapes			Table Grapes	Table Grapes					
	Hops / Hemp	Hops	Humulus	Not serviced	Hops / Hemp	Hops	Humulus	Not serviced	Hops / Hemp	Hops	Humulus	Potential target growth crop see comments below**				
		Hemp	Lupiclios			Hemp	Lupiclios			Hemp	Lupiclios					
	Forage / Fodder	Alfalfa / Lucerne		Not serviced	Forage / Fodder	Alfalfa / Lucerne		Not serviced	Forage / Fodder	Alfalfa / Lucerne						
		Timothy				Timothy				Timothy						
		Grass Seed				Grass Seed				Grass Seed						
Oregon	Row Crops	Potatoes	Various varieties	Row crops, particularly potatoes had historically been CropLogic's core focus	Row Crops	Potatoes	Various varieties	Row crops, particularly potatoes had historically been CropLogic's core focus	Row Crops	Potatoes	Various varieties	Row crops, particularly potatoes had historically been CropLogic's core focus				
			Onions				Onions				Onions					
			Carrots				Carrots				Carrots					
		Various varieties					Various varieties						Various varieties			
		Various varieties			Not serviced		Various varieties			Not serviced			Various varieties		Oregon has a well established tree stock industry, including tree nuts	
		Nut Trees	Various varieties, particularly HazelNut				Nut Trees		Various varieties, particularly HazelNut				Nut Trees	Various varieties, particularly HazelNut		
		Viticulture	Grapes		Wine Grapes	Not serviced	Viticulture		Grapes	Wine Grapes	Not serviced		Viticulture	Grapes	Wine Grapes	Oregon has a well established wine industry
			Table Grapes		Table Grapes				Table Grapes	Table Grapes				Table Grapes	Table Grapes	
		Hops / Hemp	Hops		Humulus	Not serviced	Hops / Hemp		Hops	Humulus	Not serviced		Hops / Hemp	Hops	Humulus	Potential target growth crop see comments below**
		Hemp	Lupiclios			Hemp	Lupiclios			Hemp	Lupiclios					
	Forage / Fodder	Alfalfa / Lucerne		Not serviced	Forage / Fodder	Alfalfa / Lucerne		Not serviced	Forage / Fodder	Alfalfa / Lucerne						
		Timothy				Timothy				Timothy						
		Grass Seed				Grass Seed				Grass Seed						

* Agerage under Hops has seen a 73% increase in 7 years in Washington State. As such this is a crop of interest to CropLogic. Growth in hops cultivation seems to be driven by consumer demand for 'craft beer' and relaxation of legislation. CropLogic is also watching with interest Hop's 'sister' crop Hemp. Legislation in many of the Pacific North Western states, particularly Oregon, is favourable to the cultivation of this crop. Market and consumer trends suggests there is growing consumer demand for products of this crop.

** Idaho is the second largest state in the USA for agricultural irrigation
 Idaho is the largest producer nationally of some row crops such as potatoes
 As such potatoes are key target crop in this region
 Idaho is the third largest state by dairy herd and the second largest in milk production
 To service this dairy industry forage / fodder is a considerable industry in this state
 As such forage / fodder will be a key target crop in this region.
 Crop focus is indicative only and subject to change



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 September 2018

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	1,016	1,526
1.2 Payments for		
(a) research and development	(40)	(188)
(b) product manufacturing and operating costs	(333)	(817)
(c) advertising and marketing	(38)	(61)
(d) leased assets	-	-
(e) staff costs	(81)	(137)
(f) administration and corporate costs	(342)	(722)
(g) Investor Relations	(71)	(90)
(h) Salaries - Operations	(543)	(698)
(i) Subscriptions	(1)	(2)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(2)
1.7 Government grants and tax incentives	-	-
1.8 Cash receipts from other operating activities	10	34
1.9 Net cash from / (used in) operating activities	(422)	(1,148)

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	-	(295)
(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	9	(2)
2.4 Dividends received (see note 3)	-	-
2.5 Other cash items from investing activities	-	-
2.6 Net cash from / (used in) investing activities	9	(297)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(20)	(46)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other cash items from financing activities	-	13
3.10 Net cash from / (used in) financing activities	(20)	(33)

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	1,871	2,932
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(422)	(1,148)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	9	(297)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(20)	(33)
4.5 Effect of movement in exchange rates on cash held	33	16
4.6 Cash and cash equivalents at end of quarter	1,471	1,471

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	1,333	1,736
5.2 Call deposits	139	135
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)	1,471	1,871

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of cash flow to these parties included in item 1.2	(38)
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		
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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	337
9.3 Advertising and marketing	70
9.4 Leased assets	-
9.5 Staff costs	706
9.6 Administration and corporate costs	482
9.7 Other (provide details if material)	21
9.8 Total estimated cash outflows	1,616

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 net cash outflow for the next quarter (when considering such things as receipts from customers) to be A\$951,000.

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:  Date: 31 October 2018

(Company secretary)

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.