



5<sup>th</sup> September 2017

### **UPDATED STATEMENT OF FINANCIAL POSITION**

The following is an updated statement of financial position for CropLogic Limited (ARBN 619 330 648) (**Company**) based on actual funds raised (\$8,000,000) under the prospectus issued by the Company dated 13 July 2017 (**Prospectus**) and the supplementary prospectus dated 7 August 2017 (**Supplementary Prospectus**):

## Historical and Pro Forma Financial Information

### CROPLOGIC LIMITED PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	CropLogic Audited 31-Mar-17 AU\$	Pro Ag Audited 28-Apr-17 AU\$	Subsequent events Unaudited 31-Mar-17 AU\$	Pro forma adjustments maximum Unaudited 31-Mar-17 AU\$	Pro forma maximum Unaudited 31-Mar-17 AU\$
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	4	79,830	76,633	1,053,726	7,202,104	8,412,292
Trade and other receivables	5	30,507	25,287	-	-	55,794
Inventory		22,231	-	-	-	22,231
<b>Total current assets</b>		<u>132,567</u>	<u>101,920</u>	<u>1,053,726</u>	<u>7,202,104</u>	<u>8,490,317</u>
<b>Non-current assets</b>						
Property, plant & equipment	6	39,400	386,376	-	-	425,776
Intangibles	7	1,094,215	-	2,366,423	-	3,460,638
<b>Total current assets</b>		<u>1,133,615</u>	<u>386,376</u>	<u>2,366,423</u>	-	<u>3,886,414</u>
<b>Total assets</b>		<u>1,266,182</u>	<u>488,296</u>	<u>3,420,149</u>	<u>7,202,104</u>	<u>12,376,731</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	8	877,719	69,963	-	-	947,682
Borrowings	9	360,486	133,912	(301,672)	-	192,726
Financial liabilities	3,10	-	-	526,243	-	526,243
Other creditors		9,045	-	-	-	9,045
<b>Total current liabilities</b>		<u>1,247,251</u>	<u>203,875</u>	<u>224,571</u>	-	<u>1,675,697</u>
<b>Non-current liabilities</b>						
Borrowings	9	423,238	-	-	-	423,238
Financial liabilities	3,10	-	-	723,757	-	723,757
Convertible Loan	11	303,509	-	2,718,000	(3,021,509)	-
<b>Total non-current liabilities</b>		<u>726,747</u>	<u>-</u>	<u>3,441,757</u>	<u>(3,021,509)</u>	<u>1,146,994</u>
<b>Total liabilities</b>		<u>1,973,998</u>	<u>203,875</u>	<u>3,666,328</u>	<u>(3,021,509)</u>	<u>2,822,691</u>
<b>Net assets</b>		<u>(707,816)</u>	<u>284,421</u>	<u>(246,179)</u>	<u>10,223,613</u>	<u>9,554,039</u>
<b>Equity</b>						
Issued capital	12	4,223,284	13,092	436,758	10,331,613	15,004,747
Reserves	13	66,866	-	-	-	66,866
Accumulated losses	14	(4,997,966)	271,329	(682,937)	(108,000)	(5,517,574)
<b>Total equity</b>		<u>(707,816)</u>	<u>284,421</u>	<u>(246,179)</u>	<u>10,223,613</u>	<u>9,554,039</u>

## Historical and Pro Forma Financial Information

### CROPLOGIC LIMITED PRO FORMA STATEMENT OF FINANCIAL POSITION (CONT.)

The unaudited pro forma statement of financial position represents the audited statement of financial position of the Company as at 31 March 2017 adjusted for the subsequent events and pro forma transactions outlined in Note 1. It should be read in conjunction with the notes to the historical and pro forma financial information.

The Pro Forma figures shown above have been translated from the New Zealand Dollar reported figures of the Company and the US Dollar reported figures of Pro Ag using the closing AUD:NZD and AUD:USD rates of 1:1.092 and 1:0.764, respectively, as at 31 March 2017.

## Historical and Pro Forma Financial Information

### 1. Introduction

The financial information set out consists of the statement of financial position of the Company as at 31 March 2017 and the statements of comprehensive income and statements of cash flows of the Company and Pro Ag for the three years ended 31 March 2017 (“Historical Financial Information”) together with a pro forma statement of financial position as at 31 March 2017, reflecting the Directors’ pro forma adjustments which include the Acquisition of Pro Ag on 28 April 2017 (“Pro Forma Consolidated Historical Financial Information”).

The Pro Forma Historical Financial Information has been compiled by adjusting the audited statement of financial position of the Company for the impact of the following subsequent events and pro forma adjustments.

### Adjustments adopted in compiling the Pro Forma Historical Financial Information

The Pro Forma Historical Consolidated Information has been prepared by adjusting the Historical Financial Information to reflect the financial effects of the following subsequent events which have occurred in the period since 31 March 2017 and the date of this Report:

- (i) The acquisition of Pro Ag on 28 April 2017 for initial cash consideration of US\$800,000 and forgiveness of approximately US\$270,000 in loans (“Acquisition”) with deferred consideration of US\$1,050,000 payable as follows:
  - US\$420,000 is to be paid on or before 31 January 2018, provided that such an amount will be reduced by any amount that the gross revenue of the business for the fiscal year ending 31 December 2017 is less than US\$1,400,000;
  - US\$315,000 is to be paid on or before 31 January 2019, provided that such amount will be reduced by 50% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2018 is less than US\$1,400,000; and
  - US\$315,000 is to be paid on or before 31 January 2020, provided that such amount will be reduced by 25% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2019 is less than US\$1,400,000;
- (ii) The Company raised \$2.23 million before costs, through the issue of convertible notes which will convert into 20,454,541 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price (“Pre-IPO Raising”);
- (iii) The conversion of \$301,672 of short term borrowings from PowerHouse Ventures Limited into 28 convertible notes (“PowerHouse Ventures Notes”) which will convert into 2,545,455 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price.
- (iv) The Company raised \$188,000 through the issue of convertible notes which will convert into 1,175,000 Shares in the Company upon successful completion of the Offer, being a 20% discount to the Offer price (“20% Convertible Notes”);
- (v) The payment of cash costs related to the Pre-IPO Raising and 20% Convertible Notes offers of \$230,000;
- (vi) The issue of 908,040 promoter shares at \$0.20 each under the Pre-IPO Raising (“Promoter Shares”);
- (vii) The conversion of 142,824 Redeemable Preference Shares into 142,824 ordinary shares and a share split on the basis of 282:1 resulting in the 179,408 ordinary shares on issue, after the conversion of the Redeemable Preference Shares, being split into 50,593,056 ordinary shares; and
- (viii) The exercise of 11,714 pre-IPO options into 3,303,348 ordinary shares for NZD\$292,850; and

## Historical and Pro Forma Financial Information

- (ix) On 23 June 2017, the Company issued 1,125,925 Performance Rights in three classes in the following proportions: Class A (533,333), Class B (355,555) and Class C (237,037). The performance hurdles are:
- (Class A): The Company'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 Company's shares on ASX (Performance Hurdle).
  - (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 (Performance Hurdle).
  - (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 (Performance Hurdle).

and the following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- (x) Completion of the offer assuming issue of a maximum 40,000,000 ordinary CropLogic shares at \$0.20 each to raise up to a maximum of \$8,000,000 before costs pursuant to the Offer;
- (xi) The payment of cash costs related to the Offer estimated to be a maximum of \$797,896, which includes an underwriting fee of \$50,000 payable to the Lead Manager for underwriting the minimum Offer of \$5,000,000;
- (xii) The issue of 3,750,000 fully paid ordinary shares to the Lead Manager for underwriting the minimum Offer.
- (xiii) The issue of 540,000 shares to the Managing Director and Chief Financial Officer upon completion of the Offer;
- (xiv) Conversion of the Pre-IPO Raise convertible notes into 20,454,541 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price; and
- (xv) Conversion of PowerHouse Ventures Notes into 2,545,455 Shares in the Company upon successful completion of the Offer, being a 45% discount to the Offer price;
- (xvi) Conversion of the 20% Convertible Notes into 1,175,000 Shares in the Company upon successful completion of the Offer, being a 20% discount to the Offer price; and
- (xvii) The issue of 1 Share at an issue price of \$0.20 ("Cleansing Offer").

The Pro Forma Historical Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

## Historical and Pro Forma Financial Information

### 2. Statement of significant accounting policies

#### (a) Basis of preparation

The Historical Financial Information and Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards ("IFRS"), adopted by the International Accounting Standards Board and the Corporations Act 2001.

The Company will prepare its financial statements in accordance with IFRS in future reporting periods.

The significant accounting policies that have been adopted in the preparation and presentation of the historical and the Pro forma Historical Financial Information are:

#### (b) Basis of measurement

The Historical and Pro Forma Historical Financial Information has been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

#### (c) Functional and presentation currency

The historical and pro forma financial information has been presented in Australian dollars. The historical and pro forma financial information has been translated from New Zealand Dollars, which is the Company's functional currency.

#### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### (e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

#### (f) Business combinations

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

## Historical and Pro Forma Financial Information

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

### **(g) Business combinations (cont.)**

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit and loss and other comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

### **(h) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(i) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### **(j) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### **(k) Provisions**

Provisions are recognised when the Company has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation

### **(l) Share-based payment transactions**

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled ("vesting period").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) The grant date fair value;

## Historical and Pro Forma Financial Information

- (ii) The extent to which the vesting period has expired; and
- (iii) The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

### **(m) Foreign currency translation**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

### **(n) Goods and services Tax**

Revenues, expenses and assets are recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

### **(o) Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as



## Historical and Pro Forma Financial Information

the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### 3. Business combination

	Note	Pro Ag Audited 28-Apr-17 \$	Adjustments \$	Pro-forma Max. Unaudited 31-Mar-17 \$
<b>Assets</b>				
Cash and cash equivalents	4	76,633	-	76,633
Trade and other receivables	5	25,287	-	25,287
Property, plant & equipment	6	386,376	-	386,376
Intangibles	7	-	2,366,423	2,366,423
Total assets		488,296	2,366,423	2,854,719
<b>Liabilities</b>				
Trade and other payables	8	69,963	-	69,963
Borrowings - short term	9	133,912	-	133,912
Total liabilities		203,875	-	203,875
Net assets of Pro Ag acquired <sup>(1)</sup>				2,650,844
Cash consideration paid to vendors <sup>(2)</sup>	1(i)			1,400,844
Contingent consideration liability <sup>(a)</sup>	1(i), 10			1,250,000
<b>Total consideration</b>				<b>2,650,844</b>

(1) Translated from US Dollars to Australian Dollars at an AUD:USD exchange rate of 1.309

(2) Cash consideration is US\$800,000 and US\$270,000 converted to Australian Dollars at an AUD:USD exchange rate of 1.309

The Acquisition has been treated as a business combination in accordance with AASB 3 *Business Combinations*. The assets and liabilities of the Acquisition (including intangible assets) have been recognised at estimated fair value. The fair value of intangible assets has been estimated on a provisional basis in accordance with paragraph 45 of AASB 3.

#### (a) Contingent consideration

As part of the agreement for the Acquisition, an amount of contingent consideration has been agreed. There will be additional cash payments to the previous owner of Pro Ag of up to US\$1,050,000, payable as follows:

- US\$420,000 is to be paid on or before 31 January 2018, provided that such an amount will be reduced by any amount that the gross revenue of the business for the fiscal year ending 31 December 2017 is less than US\$1,400,000;
- US\$315,000 is to be paid on or before 31 January 2019, provided that such amount will be reduced by 50% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2018 is less than US\$1,400,000; and
- US\$315,000 is to be paid on or before 31 January 2020, provided that such amount will be reduced by 25% of any amount that the gross revenue of the business for the fiscal year ending 31 December 2019 is less than US\$1,400,000;

Based on historical performance, it was determined highly probable Pro Ag would generate gross revenue in excess of US\$1,400,000 in each of the fiscal years ending 31 December 2017, 2018 and 2019. Accordingly, that probability, when considered in combination with the time value of money, resulted in a contingent consideration liability at the Acquisition date of A\$1,250,000 (US\$954,782) associated with the Acquisition. The contingent consideration liability is due to be settled in full by 31 January 2020.

### 4. Cash and cash equivalents

## Historical and Pro Forma Financial Information

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Cash and cash equivalents		79,830	8,412,292
CropLogic cash and cash equivalents as at 31 March 2017			79,830
<i>Subsequent events are summarised as follows:</i>			
Cash and cash equivalents acquired on Acquisition (AUD)	1(i)		76,633
Cash consideration paid for Acquisition (AUD)	1(i)		(1,400,844)
Proceeds from pre-IPO raising	1(ii)		2,228,328
Cash costs of the pre-IPO raising	1(v)		(230,000)
Proceeds from issue of NZ\$10,000 convertible notes at 20% discount to IPO	1(iv)		188,000
Proceeds received from the exercise of options	1(viii)		268,242
			1,130,359
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Proceeds from the Offer pursuant to the Prospectus	1(x)		8,000,000
Expenses of the Offer	1(xi)		(797,896)
			7,202,104
<b>Pro-forma cash and cash equivalents</b>			<b>8,412,292</b>

(1) Translated of US\$800,000 and US\$270,000 to Australian Dollars at an AUD:USD exchange rate of 1.309

(2) Translated from NZ Dollars to Australian Dollars at an AUD:NZD exchange rate of 0.916

### 5. Trade and other receivables

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Trade and other receivables		30,507	55,794
CropLogic receivables as at 31 March 2017			30,507
<i>Subsequent events are summarised as follows:</i>			
Receivables acquired on Acquisition (AUD)	1(i)		25,287
<b>Pro-forma trade and other receivables</b>			<b>55,794</b>

## Historical and Pro Forma Financial Information

### 6. Property, plant & equipment

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Property, plant & equipment		39,400	425,776
CropLogic property, plant & equipment as at 31 March 2017			39,400
<i>Subsequent events are summarised as follows:</i>			
Property, plant & equipment acquired on Acquisition (AUD)	1(i)		386,376
<b>Pro-forma property, plant &amp; equipment</b>			<b>425,776</b>

### 7. Intangible assets

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Intangibles		1,094,215	3,460,638
CropLogic intangibles as at 31 March 2017			1,094,215
<i>Subsequent events are summarised as follows:</i>			
Intangible assets recognised on the Acquisition (AUD)	1(i)		2,366,423
<b>Pro-forma intangibles</b>			<b>3,460,638</b>

### 8. Trade and other payables

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Trade and other payables		877,719	947,682
CropLogic payables as at 31 March 2017			877,719
<i>Subsequent events are summarised as follows:</i>			
Payables acquired on Acquisition (AUD)	1(i)		69,963
<b>Pro-forma trade and other payables</b>			<b>947,682</b>

## Historical and Pro Forma Financial Information

### 9. Borrowings

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Current borrowings		360,486	192,726
CropLogic current borrowings as at 31 March 2017			360,486
<i>Subsequent events are summarised as follows:</i>			
Borrowings acquired on Acquisition (AUD)	1(i)		133,912
Reclassification of borrowings to convertible loans	1(iii)		(301,672)
<b>Pro-forma current borrowings</b>			<b>192,726</b>
CropLogic non-current borrowings as at 31 March 2017		423,238	423,238
<b>Pro-forma non-current borrowings</b>			<b>423,238</b>

The non-current loan outstanding is payable to Callaghan Innovation and accrues interest daily at a rate of 3% per annum. Any unpaid interest shall be capitalised and become part of the loan.

### 10. Financial liabilities

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Financial liabilities		-	1,250,000
CropLogic financial liabilities as at 31 March 2017			-
<i>Subsequent events are summarised as follows:</i>			
Current portion of contingent consideration recognised on the Acquisition	1(i), 3		526,244
Non-current portion of contingent consideration recognised on the Acquisition	1(i), 3		723,757
<b>Pro-forma financial liabilities</b>			<b>1,250,000</b>

The contingent consideration results from the Acquisition, which has been treated as a business combination in accordance with AASB 3 *Business Combinations*. The contingent consideration has been recognised at estimated fair value. The fair value of the contingent consideration has been estimated on a provisional basis in accordance with paragraph 45 of AASB 3.

## Historical and Pro Forma Financial Information

### 11. Convertible loans

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Convertible Notes		303,509	-
CropLogic Convertible Notes as at 31 March 2017			303,509
<i>Subsequent events are summarised as follows:</i>			
Convertible notes issued in the Pre-IPO Raising	1(ii)		2,228,328
Issue 20% Convertible Notes	1(iv)		188,000
Conversion of short term borrowings from PowerHouse Ventures to 28 convertible notes	1(iii)		301,672
			2,718,000
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Conversion of Pre-IPO Raising convertible notes	1(xiv)		(2,228,328)
Conversion 20% Convertible Notes	1(xvi)		(491,509)
Conversion of short term borrowings from to 28 Convertible notes by PowerHouse Ventures	1(xv)		(301,672)
			(3,021,509)
<b>Pro-forma convertible notes</b>			<b>-</b>

## Historical and Pro Forma Financial Information

### 12. Issued Capital

	Note	Number of shares (Max.)	Pro forma Max \$
Ordinary share capital		36,584	952,722
Redeemable Preference Shares		142,824	3,270,562
CropLogic issued share capital as at 31 March 2017		179,408	4,223,284
<i>Subsequent events are summarised as follows:</i>			
Share split of 36,584 ordinary shares at 282:1	1(vii)	10,137,280	-
Conversion of 142,824 Redeemable Preference Shares to ordinary shares and share split at 282:1	1(vii)	40,276,368	-
Issued share capital as at 31 March 2017 post share split		50,593,056	4,223,284
Promoter Shares associated with the pre-IPO raising	1(vi)	908,040	181,608
Proceeds received from the conversion of options	1(viii)	3,303,348	268,242
		4,211,388	449,850
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Conversion of Pre-IPO Raising convertible notes	1(xiv)	20,454,541	2,228,328
Conversion of PowerHouse Ventures Notes	1(xv)	2,545,455	301,672
Conversion of 20% Convertible Notes	1(xvi)	1,175,000	491,509
Fully paid ordinary shares issued at \$0.20 pursuant to this Prospectus	1(x)	40,000,000	8,000,000
Cash costs associated with the share issue pursuant to this Prospectus	1(xi)	-	(797,896)
Shares issued to the Lead Manager for underwriting the minimum Offer	1(xii)	3,750,000	750,000
Cost of shares issued to the Lead Manager for underwriting the minimum Offer	1(xii)	-	(750,000)
Issue of shares to the Managing Director and Chief Financial Officer	1(xiii)	540,000	108,000
Issue of 1 share under the Cleansing Offer	1(xvii)	1	-
		68,464,997	10,331,613
<b>Pro-forma issued share capital</b>		<b>123,269,441</b>	<b>15,004,747</b>

### 13. Reserves

	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Reserves	66,866	66,866
<b>Pro-forma reserves</b>		<b>66,866</b>

## Historical and Pro Forma Financial Information

### (a) Management Performance Rights

On 23 June 2017, the Company issued 1,125,925 Performance Rights in three classes in the following proportions: Class A (533,333), Class B (355,555) and Class C (237,037). The performance hurdles are:

- **(Class A):** The Company'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 Company's shares on ASX (Performance Hurdle).
- **(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 (Performance Hurdle).
- **(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 (Performance Hurdle).

The Performance Rights have not been recognised in the Subsequent Events or Pro Forma Adjustments as the cost of the Options will be recognised over the relevant vesting periods of each class of Performance Rights.

The terms and conditions for Performance Rights and the Performance Rights Plan are set out in Sections 3.26 and 10.6 of the Prospectus.

### 14. Accumulated Losses

	Note	Audited 31-Mar-17 \$	Pro-forma Max. Unaudited 31-Mar-17 \$
Accumulated losses		(4,997,966)	(5,517,574)
CropLogic accumulated losses as at 31 March 2017			(4,997,966)
<i>Subsequent events are summarised as follows:</i>			
Promoter Shares associated with the pre-IPO raising	1(vi)		(181,608)
Cash costs of the Pre-IPO Raising and 20% Convertible Notes	1(v)		(230,000)
			(411,608)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Shares issued to the Managing Director and Chief Financial Officer	1(xiii)		(108,000)
<b>Pro-forma accumulated losses</b>			<b>(5,517,574)</b>

## Historical and Pro Forma Financial Information

### 15. Related party disclosure

The Directors of CropLogic are John Beattie, James Cairns, Stephen Hampson, Peter Roborgh and Steven Wakefield. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 7.2 of the Prospectus.

### 16. Capital commitments

The Company has a commitment to pay The New Zealand Institute for Plant and Food Research Limited NZ\$383,000 (A\$350,828) by 31 August 2017 in relation to the Licence Agreement between The New Zealand Institute for Plant and Food Research Limited. Further details on this agreement are set out in Section 9.7 of the Prospectus.

### 17. Contingent liabilities

During the 2017 financial year, CropLogic received NZ\$140,000 (\$A128,240) from the Inland Revenue under the new Research and Development Tax Losses "Cash Out" scheme. 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.

The Group has no other pro forma contingent liabilities as at 31 March 2017.