CROPLOGIC LIMITED

ARBN: 619 330 648 / NEW ZEALAND COMPANY NUMBER 3184550

ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The following information should be read in conjunctions with the Interim Report of CropLogic for the half-year ended 30 September 2018 and the attached auditors' review report.

This Appendixx 4D is prepared in accordance with ASX Listing Rule 4.2A.

1 Reporting periods

Reporting period: Half-year from 1 April 2018 to September 2018.
Previous corresponding period: Half-year from 1 April 2017 to 30 September 2017.

2 Results for announcement to the market

		%	$
Revenue from ordinary activities	up	1%	2,069,631
Loss from ordinary activities after tax attributable to members	down	-27%	787,521
Loss for the period attributable to members	up	59%	(920,103)

Comments
The comprehensive loss for the company amounts to $920,103 (30 September 2017: $578,666).

3 Net tangible asset backing

	Reporting period	Previous period
Net tangible assets per ordinary security	2.06 cents	6.46 cents

4 Controlled entities

	Country of Incorporation	Principle Activities	Ownership %
Parent Entity			
CropLogic Limited	New Zealand	Holding company	100%
Name of Controlled Entity			
Indigo Systems Limited	New Zealand	Telemetry	100%
CropLogic USA LLC	United States	Holding company	100%
ProAg CropLogic LLC	United States	Agronomy services	100%
CropLogic Australia PTY LTD	Australia	Holding company	100%
Lincoln Agriculture PTY LTD	Australia	Holding company	100%
CLPA Holding Company	United States	Holding company	100%

5 Loss of control over entities

Not applicable

6 Details of associates and joint venture entities

Not applicable

7 Dividends or distributions

No dividends were paid or declared during the period.

8 Independent review report

Refer to the independent review report within the attached interim financial statements for the half year ended 30 September 2018.

9 Compliance statement

This report should be read in conjunction with the attached interim financial statements for the half year ended 30 September 2018.

Sign here: SHunter. Date: 30 November 2018

Susan Hunter
Company Secretary

Consolidated statement of profit or loss and other comprehensive income
For the half year ended 30 September 2018

	Note	Unaudited 30-Sep-18 $	Unaudited 30-Sep-17 $
Revenue	3	2,069,631	2,042,743
Total revenue		**2,069,631**	**2,042,743**
Operational expenses		(1,565,297)	(1,081,549)
Research & development		(15,335)	-
General & administrative expenses	4	(958,373)	(679,120)
Depreciation & amortisation		(285,089)	(188,033)
Investment income		11,123	2,625
Other gains/(losses)		(69,182)	-
Finance costs		(8,692)	(35,586)
IPO & Capital raising costs expenses through profit and loss		-	(639,951)
Net foreign exchange gains/(losses)		54,995	(84,872)
Movements in items classified as fair value		-	(31,035)
Loss before tax		**(766,219)**	**(694,778)**
Taxation expense		(21,303)	(74,455)
Loss for the period		**(787,522)**	**(620,323)**
Items that may be reclassified to profit or loss			
Foreign exchange translation differences for foreign operations		(132,581)	41,657
Other comprehensive (gain)/loss for the period		**(132,581)**	**41,657**
Total comprehensive loss for the period		**(920,103)**	**(578,666)**
From continuing operations			
- Basic (cents per share)		(0.64)	(1.07)
- Diluted (cents per share)		(0.64)	(1.07)

Consolidated statement of financial position
As at 30 September 2018

	Note	Unaudited 30-Sep-18 $	Audited 31-Mar-18 $
Equity			
Share capital	8	14,484,972	14,484,972
Retained losses		(9,045,214)	(8,321,900)
Reserves		129,143	321,149
Total Equity		**5,568,901**	**6,484,221**
Represented by:			
Current assets			
Cash & cash equivalents		1,371,069	2,932,058
Trade & other receivables		458,529	20,867
Income tax receivable		6,170	4,974
Inventories		15,372	16,318
Other current assets		128,257	80,435
Total Current Assets		**1,979,397**	**3,054,652**
Current liabilities			
Trade & other payables		309,423	494,414
Current borrowings		32,021	90,287
Other current liabilities		75,398	297,114
Contingent consideration	9	408,241	390,652
Total Current Liabilities		**825,083**	**1,272,467**
Working Capital		**1,154,314**	**1,782,185**
Non Current Assets			
Property, plant & equipment		2,270,109	2,431,493
Intangibles	7	1,022,900	1,178,499
Goodwill	6	2,001,344	1,971,893
Total Non Current Assets		**5,294,353**	**5,581,885**
Non Current Liabilities			
Borrowings		494,633	511,309
Contingent consideration	9	385,133	368,540
Total Non Current Liabilities		**879,766**	**879,849**
Net Assets		**5,568,901**	**6,484,221**

These financial statements are to be read in conjunction with the accompanying Notes.

Consolidated statement of changes in equity

Consolidated statement of financial position

	Note	Issued capital	Accumulated losses	Share based payment reserve	Foreign currency translation reserve	Total equity
		$	$	$	$	$
Balance at 1 April 2017		4,101,789	(4,883,042)	65,897	12,718	(702,638)
Loss for the period		-	(620,323)	-	-	(620,323)
Other comprehensive income for the period		-	-	-	41,657	41,657
Total comprehensive loss		-	(620,323)	-	41,657	(578,666)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)	8	10,383,183	-	-	-	10,383,183
Performance rights		-	-	102,731	-	102,731
Employee share options exercised		-	-	(65,897)	-	(65,897)
		10,383,183	-	36,834	-	10,420,017
Balance at 30 September 2017		**14,484,972**	**(5,503,365)**	**102,731**	**54,375**	**9,138,713**
Balance at 1 April 2018		14,484,972	(8,321,900)	102,731	218,418	6,484,221
Loss for the period		-	(787,522)	-	-	(787,522)
Other comprehensive loss for the period		-	-	-	(132,581)	(132,581)
Total comprehensive loss		-	(787,522)	-	(132,581)	(920,103)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)	8	-	-	-	-	-
Performance rights		-	-	4,783	-	4,783
Employee share options forfeited		-	64,208	(64,208)	-	-
		-	64,208	(59,425)	-	4,783
Balance at 30 September 2018		**14,484,972**	**(9,045,214)**	**43,306**	**85,837**	**5,568,901**

These financial statements are to be read in conjunction with the accompanying Notes.

Consolidated statement of cash flows

For the half year ended 30 Sept 2018

	Note	Year ended Unaudited 30-Sep-18 $	Unaudited 30-Sep-17 $
Cash Flows from Operating Activities			
Cash receipts from customers		1,631,968	1,621,656
Receipts from government R&D tax incentive		-	113,057
Cash paid to suppliers and employees		(2,820,328)	(2,391,544)
Interest Income		11,123	2,625
Interest paid		-	(36,523)
Income tax paid		(22,498)	(1,091)
Net Cash Flows used in Operating Activities	**5**	**(1,199,735)**	**(691,820)**
Cash Flows from Investing Activities			
Payments for property, plant, and equipment		(213,817)	(56,683)
Purchase of businesses		-	(1,353,273)
Payments for capitalised development costs		(1,151)	-
Payments for acquired intangibles		-	(926,590)
Net Cash Flows used in Investing Activities		**(214,968)**	**(2,336,546)**
Cash Flows from Financing Activities			
Proceeds from issue of shares, net of costs	**8**	-	8,000,000
Proceeds from issue of convertible notes, net of costs		-	(604,858)
Proceeds from exercise of share options		-	2,012,214
Proceeds from borrowings			270,932
Repayment of borrowings		(69,841)	29,713
Share Capital in Advance		-	(75,484)
Net Cash Flows (used)/from Financing Activities		**(69,841)**	**9,632,517**
Net (decrease)/increase in cash and cash equivalents		(1,484,544)	6,604,151
Effects of exchange rate changes on the balance of cash held in foreign currencies		(76,447)	(12,658)
Cash at the beginning of the year		2,932,058	79,676
		-	-
Cash at the End of the Year		**1,371,067**	**6,671,169**

These financial statements are to be read in conjunction with the accompanying Notes.

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

1 General Information

These interim financial statements are for CropLogic Limited ("the Company" or "CropLogic") and its subsidiaries (together "the Group"). The Company is a limited liability company incorporated in New Zealand and listed entity on the Australian Securities Exchange. The registered office of the Company is 11 Deans Avenue, Addington, Christchurch,New Zeleand 8011

Statement of Accounting Policies

Basis of Preparation and Statement of Compliance

These are the interim financial statements for the Group for the six months ended 30 September 2018.

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) "Interim Financial Reporting" and International Accounting Standard IAS34 as applicable for profit oriented entities. Consequently these interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and any public announcements made by CropLogic during the interim reporting period.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Profit or Loss and Comprehensive Income and Statement of Financial Position on a historical cost basis are followed by the Group, unless otherwise stated in the Specific Accounting Policies. The information is presented in Australian dollars. All values are rounded to the nearest dollar.

The unaudited interim financial statements are prepared in Australian Dollars ($) (the presentation currency).

Application of new and revised New Zealand Equivalents to International Financial Reporting Standards (NZ IFRSs)

The Group has adopted all of the mandatory new and revised Standards and Interpretations issued by the External Reporting Board (the XRB) that are relevant to their operations and effective for the current half year.

- NZ IFRS 9 Financial Instruments
- NZ IFRS 15 Revenue from Contracts with Customers

Impact of the application of NZ IFRS 9 Financial Instrucments

The Group has adopted NZ IFRS 9 from 1 April 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. Applying NZ IFRS 9 did not have any significant impact on the classification or valuation of financial assets, impairment bookings on trade receivables and other financial assets.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Impact of the application of NZ IFRS 15 Revenue from Contracts with Customers

The Group has adopted NZ IFRS 15 from 1 April 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies in Note 3. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. ApplyingNZ IFRS 15 has had no impact on timing of revenue recognition or on the presentation of the statement of financial position.

Critical judgements in applying accounting policies

In preparing these financial statements, the Group has made estimates and assumptions concerning the future in order to determine certain balances at reporting date. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. All estimates in these financial statements are consistent with those from previous financial statements.

Significant Changes in the Current Reporting Period

Except for above, there were no significant changes in the half year ended 30 September 2018.

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

2 Segment Information

The Chief Executive Officer and members of the executive team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms three operating segments. These segments are organised as a combination of the differences in geographical locations and services offered.

The operating segments of the Group are composed of the following business operations:

- New Zealand
- United States
- Australia

The United States segment relates to the operations of ProAg CropLogic LLC, a wholly-owned Company incorporated in March 2017. The assets of Professional Ag Services Inc a US based Company were purchased by the Group during April 2017.

Seasonality of Revenue

The US operations run during the potato season which is February to October. As such, the first 6 months of the Group's financial year include the majority of the sales generated by the US subsidiary. As revenue relates to a 6-month season it has been recognised as it is incurred and there has been no deferral or spreading of this income across the full 12 months of the financial year.

Segment revenue and profit (loss)	Revenue Half-year ended		Segment profit/(loss) Half-year ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	$	$	$	$
New Zealand	9,898	36,158	(1,114,467)	(1,817,536)
United States	2,059,733	2,006,585	817,761	1,122,758
Australia	-	-	(469,513)	-
Profit before tax and eliminations	2,069,631	2,042,743	(766,219)	(694,778)
Income tax expense (benefit)	-	-	(21,303)	(74,455)
Consolidated revenue and loss for the period	2,069,631	2,042,743	(787,522)	(620,323)

The revenue above represents revenue generated from external customers. There were no intersegment sales during the half-year.

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets		Liabilities	
	30 September 2018	31 March 2018	30 September 2018	31 March 2018
	$	$	$	$
New Zealand	2,074,268	4,901,329	598,405	2,001,774
United States	5,062,118	3,735,208	1,043,284	150,542
Australia	116,984	-	63,159	-
Total Assets	7,253,370	8,636,537	1,704,848	2,152,316

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

3 Revenue

The group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer; the group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rendering of services

Revenue from a contract to provide services is recognised when the performance obligation in the contract is completed.

Sale of goods

Sales of goods are recognised as revenue when the products pass from the physical control of the Company pursuant to an enforceable contract, when selling prices are known or can be reasonably estimated and when the products are in a form that requires no further treatment by the Company.

Contract liabilities

Contract liabilities are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the consolidated entity has transferred the goods or services to the customer. The liability is the consolidated entity's obligation to transfer goods or services to a customer from which it has received consideration.

	Half-year ended	
	30 September 2018	**30 September 2017**
Revenue from contracts with customers	**$**	**$**
Rendering of services	2,059,733	2,021,144
Sale of goods	9,898	21,599
	2,069,631	2,042,743

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

4 Items of material income and expenses

	Half-year ended	
	30 September 2018	30 September 2017
General & administrative expenses	$	$
Professional Ag Services Inc acquisition related costs	-	17,378
Directors fees and associated costs	126,886	94,675
Empoyee benefit expenses	131,444	254,432
Other expenses	700,043	312,635
	958,373	679,120

5 Reconciliation of Cash Flows from Operations

	Half-year ended	
	30 September 2018	30 September 2017
	$	$
Loss for the period	(787,521)	(620,323)
(Less)/plus non cash items		
Depreciation & amortisation	285,089	188,033
Loss on disposal of assets	-	59,579
Financial instruments at FVTPL	22,843	31,035
Net foreign exchange (gains)/losses	(54,995)	84,872
Performance rights	4,783	102,731
		-
(Less)/plus changes in working capital		-
Decrease/(increase) in trade & other receivables	(437,663)	(525,911)
Decrease/(increase) in current tax receivable	(1,196)	(1,134)
Decrease/(increase) in stock & work in progress	946	(2,031)
Decrease/(increase) in other current assets	(47,822)	-
(Decrease)/increase in trade & other payables	37,518	125,862
(Decrease)/increase in other current liabilities	(221,717)	(134,533)
Net cash outflow from operating activities	(1,199,735)	(691,820)

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

6 Goodwill

	Half-year ended	
	30 September 2018	**31 March 2018**
Gross carrying amount	**$**	**$**
Balance at the beginning of the year	1,971,893	-
Additional amounts recognised from business combinations occurring during the prior period	-	2,021,922
Effects of foreign currency exchange differences	29,451	(50,029)
Balance at the end of the period	2,001,344	1,971,893

	Half-year ended	
	30 September 2018	**31 March 2018**
Accumulated impairment losses	**$**	**$**
Balance at beginning of the year	-	-
Impairment losses recognised in the year	-	-
Effects of foreign currency exchange differences	-	-
Balance at the end of the year	-	-

In April 2017 the Group purchased the assets of Professional Ag Services Inc a US-based Company. Initial cash consideration totalled US$800,000 plus loans forgiven of US$270,000. Contingent consideration totalling US$1,050,000 (contingent consideration has been fair valued as outlined in note 9) is also payable over a 3 year period contingent upon the business achieving specified revenue targets. The net on-balance sheet assets acquired totalled AU$680,999.

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the US operations as a cash-generating unit. Before recognition of any impairment losses the carrying amount of goodwill was allocated as follows:

	Year ended	
	30 September 2018	**31 March 2018**
	$	**$**
US operations - ProAg CropLogic LLC	2,001,344	1,971,893

The goodwill associated with ProAg CropLogic LLC arose when the Group acquired the business of Professional Ag. Services Inc. in April 2017. The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by the directors and management, together with a terminal value.
Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The discount rate of 15% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital and risks specific to the assets to which the cash flows generated by that asset are being assessed.

Projected revenue growth rates are 30% to 43.5%. Projected gross profit margins are 24% to 57%. Growth assumptions considered growth in market share with CropLogic's realtime remote soil moisture sensory technology 'CropLogic Realtime' into the United States Market. Considering the growth potential and such elements as the company's suite of agricultural technologies considerably improvising operating efficiencies and the size of the addressable market the directors and management believe the projected revenue growth rates and gross profit margins used in the discounted cash flow model are reasonable. Based on the above, the recoverable amount of the cash-generating unit exceeded the carrying amount by $4,678,555.

There were no other key assumptions in the discounted cash flow model for the Group.

Sensitivity
As disclosed above, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:
(a) Revenue would need to decrease by more than 9.8% for the Group before goodwill would need to be impaired, with all other assumptions remaining constant.
(b) The discount rate would be required to increase by 7.1% for the Group before goodwill would need to be impaired, with all other assumptions remaining constant.
(c) The gross profit margin would need to decrease by 9.8% for the Group before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Group's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for the Group's goodwill.

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

7 Intangibles

	Half-year ended	
	30 September 2018	31 March 2018
	$	$
Capitalised development assets	272,094	320,340
Intellectual property rights	354,337	398,273
		-
Telemetry intellectual property and related customer relationships	382,444	443,774
		-
Other intangibles	14,025	16,112
	1,022,900	1,178,499

Significant intangible assets
Plant & Food Intellectual Property Rights were acquired on 31 May 2016. They provide the Group the rights to market, promote, distribute and supply the system and method for managing and predicting crop performance in the commodities of Cotton, Soybean, Maize and Wheat in the jurisdiction of the United States of America.

Telemetry Intellectual Property and related customer relationships of Indigo Systems were acquired in October 2014. The Telemetry Asset acquired relates to IP, hardware, proprietary software stack, and backend systems required to manage the communication of data from field-based data acquisition devices to the CropLogic "cloud", where that data is analysed and presented in a usable manner for decision support. Combined with the existing low-power long-range mesh networking technology, this IP is an important part of CropLogic's data acquisition strategy.

Capitalised development assets include the internally generated intangible assets: Mobile app for customers, Growerview website, management platform (web based map showing location and status of deployed assets and alerting system), and aerial imaging software. Capitalised development assets includes $70,790 which relates to projects in progress at half-year end. It is expected that those projects in progress will be available for use for the 2019 US growing season.

8 Share Capital

	Half-year ended	
	30 September 2018	31 March 2018
Issued capital comprises	$	$
123,269,440 fully paid ordinary shares (31 March 2018 : 123,269,440)	14,484,972	14,484,972
7,023,378 shares held in reserve for performance hurdles (2017:1,125,925)	-	-
	14,484,972	14,484,972
Fully paid ordinary shares	**Number of shares**	**Number of shares**
Balance at 1 April 2017	36,584	36,584
Conversion of preference shares to ordinary shares	-	142,824
Subdivision of shares	-	50,413,648
Share options exercised	-	3,303,348
Conversion of all outstanding convertible notes	-	24,174,996
Promoter shares associated with the pre-IPO raising	-	908,040
Cost of promoter shares associated with the pre-IPO raising	-	-
Fully paid ordinary shares issued at $0.20 at initial public offering	-	40,000,000
Costs directly attributable to the cost of issuing shares in the initial public offering	-	-
Shares issued to the Lead Manager for the underwrite	-	3,750,000
Cost of the shares issued to the Lead Manager for the underwrite	-	-
Shares issued to management	-	540,000
Balance at 31 March 2018	123,269,440	123,269,440

All shares rank equally with regard to the Group’s residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. The shares have no par value.

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

Long Term Incentive Plan

On 23 June 2017, the Group issued 3,300,577 performance rights worth $225,185 in three classes under its long term incentive plan for selected executives: Class A (533,333 rights), Class B (355,555 rights) and Class C (237,037 rights). The performance hurdles are:

• (Class A): The Group'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 Group's shares on ASX

• (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

• (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

On 29 June 2018, the Group issued 1,125,925 performance rights worth $30,820 in two classes under its long term incentive plan for selected executives: Tranche A (2,000,000 rights) andTranche B (1,300,577 rights). The performance hurdles for Tranche A are:

• 666,667 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between $0.10 and $0.14 for the 15 trading days following the end of the first 12 months of employment;

• 1,333,334 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between $0.15 and $0.19 for the 15 trading days following the end of the first 12 months of employment;

• 2,000,000 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of $0.20 or more for the 15 trading days following the end of the first 12 months of your employment;

- If all three milestones are achieved the maximum number of shares to be issued is 4,000,000.

The performance hurdles for Tranche B are:

433,526 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between $0.25 and $0.34 for the 15 trading days following the end of the first 3 years of employment;

• 867,052 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between $0.35 and $0.44 for the 15 trading days following the end of the first 3 years of employment;

•1,300,577 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of $0.45 or more for the 15 trading days following the end of the first 3 years of your employment;

- If all three milestones are achieved the maximum number of shares to be issued is 2,601,155.

The fair value of both tranches of performance rights issued in the current period is $54,803 and will be expensed over the vesting period.

9 Contingent Consideration

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

	Half-year ended	
	30 September 2018	31 March 2018
	$	$
Current	408,241	390,652
Non-current	385,113	368,540
Total contingent consideration	793,354	759,193

The fair value of the contingent consideration relates to the acquisition of Professional Ag Services Inc in April 2017. The liability has been revalued to fair value using a discounted cashflow technique. This has been outlined in further detail in note 10 financial instruments.

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

10 Financial instruments

Fair Value of Financial Liabilities Held at Fair Value through Profit or Loss

The Group's financial liability relating to Contingent Consideration is measured at fair value at the end of each reporting period. The following table gives information about how the fair values of this financial liability is determined (in particular, the valuation technique(s) and inputs used).

NZ IFRS 13 provides for a three-level fair value hierarchy that requires inputs to valuation techniques used to measure fair value, to be categorised as follows:
- Level 1 Inputs - quoted prices (unadjusted) in active markets for identical liabilities that the entity can access at the measurement date.
- Level 2 Inputs - either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1.
- Level 3 Inputs - inputs for the liability that are not based on observable market data (unobservable inputs).

Financial Liability	Fair value as at 30/09/2018	Fair value as at 31/03/2018	Fair value hierarchy	Valuation technique
Contingent consideration in Professional Ag Services Inc business combination	793,374	759,192	Level 3	Discounted cash flow

Significant unobservable inputs and relationship of unobservable input to fair value:
- Discount rate of 6% has been used in the discounting of the expected cash flows. A slight increase in the discount rate used in isolation would result in a decrease in the fair value. A 5% increase/decrease in the discount rate used while holding all other variables constant would decrease/increase the carrying amounts of the contingent liability by $1,841.
- Based on historical performance, it was determined highly probable Pro Ag would generate gross revenue in excess of the performance hurdle in each of the fiscal years ending 31 December 2018 and 2019. Probability adjusted revenues had no effect on the contingent consideration due. A 5% decrease in the probability-adjusted revenues while holding all other variables constant would have no effect on the contingent consideration due.

Other than the Contingent Consideration outlined above the fair value of the Group’s financial assets and liabilities is considered to be approximately equal to their carrying amount. The Group has no other assets or liabilities that are measured at fair value.

Reconciliation of Level 3 Fair Value Measurements	Half-year ended	
	30 September 2018	31 March 2018
	$	$
Opening Balance	759,192	-
Contingent Consideration as a result of business combination	-	1,274,158
Less amount paid to date	-	(560,823)
Total gains or losses:		
- in profit or loss	22,843	62,643
Effects of foreign currency exchange differences	11,339	(16,786)
	793,374	**759,192**

Notes to and forming part of the Financial Statements

For the half year ended 30 September 2018

11 Contingent liabilities and contingent assets

As at the date of this report, CropLogic has received $243,728 from the New Zealand Inland Revenue under the 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 moved the head office to Australia and has received tax advice on this matter. At the date of this report, the directors are still determining the date at which the Company ceased to be a New Zealand tax resident. This decision will be made when the Company's tax return is lodged in January 2019.

The Group has a bank guarantee of $137,921 in relation to the lease of their former head office in Christchurch, other than this, the Group has no contingent liabilities as at 30 September 2018.

12 Events after the reporting period

The following subsequent events have arisen and/or occurred between 30 September 2018 and the date of this report that could have a significant impact on the operations of the Group, the results of those operations, and the state of affairs of the Group in future years:

On 2 November 2018 John Corbett was appointed a non-executive director, effective immediately.

On 19 November 2018 , the Company announced that it had secured firm commitments from insitutional and sophisticated investors to raise $2.6m through a placement of 173,333,333 fully paid ordinary shares at an issue price of $0.015 per share.

13 Commitments for expenditure

The Group has no capital commitments as at 30 September 2018 (30 March 2018: $0)

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Directors' Declaration

The directors of CropLofic Limited (the company):

1. Authorise for issue, the financial statements and notes set out in this report; and
2. There are resonable grounds to believe that CropLogic will be able to pay its debts as and when they become due and payable.

This declaration is made in accorance with a resolution of directors.

The Hon Cheryl Edwards AM
Non-Executive Chairperson

Date: 30 November 2018
Place: Perth, Western Australia

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF
CROPLOGIC LIMITED

Report on the Interim Financial Statements

We have reviewed the accompanying interim condensed financial statements of CropLogic Limited ("the Company"), which comprise the condensed statement of financial position as at 30 September 2018, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and selected explanatory notes. The Group comprises the Company and the entities it controlled at 30 September 2018, or from time to time during the period.

Director's Responsibility for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting ("NZ IAS 34") and International Accounting Standard 34 ("IAS 34") and for such internal controls as the Directors determine are necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410"). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34 and IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditors perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm has not carried out any other services for the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2018 and the performance and cashflows for the six month period then ended in accordance with NZ IAS 34 and IAS 34.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body for our review procedures, for this report, or for the conclusion we have formed.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 November 2018

TUTU PHONG
Partner