

23 March 2020

## CropLogic Review and Restructure

CropLogic Limited (**ASX:CLI**) (**CropLogic** or **Company**) announced on 14 February 2020 that it was undertaking a review of its operations and financial situation (**Review**) due to the Company's trial farm crop failure (see announcement of 20 December 2019) as well as market conditions out of the Company's control, such as the drop in the CBD hemp price, increasing wage pressure and the impacts of the COVID 19 pandemic on global capital markets and global travel. The Company provides the following update as to the progress of this Review.

### 1. Debt to Equity Conversions

CropLogic has entered into a Convertible Note Conversion Deed (**Atlas Conversion Deed**) with Atlas Capital Markets (**Atlas**). Atlas is the senior secured lender of Convertible Notes detailed in the Company's announcements dated 29 May 2019 and 29 August 2019.

The Atlas Conversion Deed states that Atlas will convert a total of \$US4,032,073.79 (\$AU6,107,382.17<sup>1</sup>), being the agreed amount owing to Atlas, into ordinary shares of the Company (**Shares**) at a conversion price of 2 cents. The conversion is subject to shareholder approval at a meeting to be held in the coming weeks. Atlas will also be issued further shares under two true-up mechanisms (subject to the terms and shareholder approval at the time of issue) and options exercisable at 2 cents and with a term of 5 years. A summary of the Atlas Conversion Deed (including the true-up mechanism) is detailed in Appendix 1.

Furthermore, CropLogic has entered into Convertible Note Conversion Deeds (**Short-Term Loan Conversion Deeds**) with Directors Mr. Steven Wakefield and Mr. Stephen Silver in respect of the loans announced on 14 February 2020 and in respect of the unsecured short-term funding loan with sophisticated investors announced on 20 December 2019. Under the Short-Term Loan Conversion Deeds, the lenders will convert the entire debts owed by the Company totalling \$AU350,000 into 17,500,000 Shares at a conversion price of 2 cents. These conversions are subject to shareholder approval at a meeting to be held in the coming weeks. The lenders will also be issued further shares under two true-ups (subject to the terms and shareholder approval at the time of issue). A summary of the Short-Term Loan Conversion Deeds (including the true-up mechanism) is provided in Appendix 2.

The execution of the Atlas Conversion Deed and the Short-Term Loan Conversion Deeds forms a critical element of the restructuring of the Company's debts. If the conversions are approved by shareholders, it will remove \$US4,032,073.79 (\$AU6,107,382.17) of senior secured debt and \$AU350,000 of short-term funding from CropLogic's balance sheet, reducing the Company's liabilities and should increase its ability to raise

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<sup>1</sup> USD-AUD exchange rate of 1.5147 used through announcement unless specified otherwise.

further capital. If shareholders approve the issue of Shares to Atlas under the Atlas Conversion Deed, Atlas' shareholding will increase from zero to approximately 35% to 45% and Atlas will become CropLogic's major shareholder.<sup>2</sup> If the shareholders approve the Short-Term Loan Conversion Deeds, the holding in CropLogic of these Short-Term Loan facility holders will increase by 2% to 3%. If shareholders do not approve conversion under the Atlas Conversion Deed and the Short-Term Loan Conversion deeds, then the loans revert to the current terms and are to be repaid in cash.

CropLogic Limited is a New Zealand company and under the New Zealand Takeovers Code, shareholder approval is required for a shareholder to increase its shareholding over 20%. However, CropLogic is not a 'medium sized' company therefore the New Zealand Takeovers Code will not apply and no shareholder approval or appraisal report is required (equivalent in New Zealand to an Independent Expert's Report) in respect of the increase in Atlas' shareholding. Accordingly, the only shareholder approval required for Atlas to increase its shareholding is that which is required under the ASX Listing Rules.

## **2. Review of Operations**

### ***2.1 Pacific North West agronomy, farm management and agtech operations***

In undertaking the review of operations and financial situation, CropLogic is examining all business units and their respective human capital costs. The review has highlighted that employment costs in the USA, including benefits, are high and are predicted to increase. As such, CropLogic has negotiated an agreement (New ProAg Agreement) that will license the CropLogic soil moisture monitoring technology, including the software source code for CropLogic realTime, to Professional Ag Services, Inc. and transfer the assets of the ProAg business, including customers and personnel, to the vendors of the original ProAg services business, [Professional Ag Services, Inc., a Washington corporation], (ProAg Vendors).

This transaction allows CropLogic to reduce its ongoing employee obligations to core staff, greatly reducing its running costs, whilst also maintaining a continued presence in the Pacific North West and developing its technology via Professional Ag Services, Inc as a licensee.

As announced on 14 February 2020, the Company was due to pay a final instalment of \$US315,000 (\$AU477,130) to the ProAg Vendors by 31 January 2020. Under the terms of the relevant agreement, the Company has 30 days in which to remedy the matter. Under the New ProAg Agreement, the ProAg vendors will agree to release the Company from its obligation to pay the final instalment of \$US315,000.

The New ProAg Agreement provides the ProAg Vendors with a non-exclusive technology licence for the regions of Washington, Idaho and Oregon. Professional Ag Services, Inc. is permitted, and CropLogic understands that it intends, to further develop the technology. CropLogic has a 50% interest in the intellectual property of these new technology developments, and the ability to use and resell these technology enhancements. CropLogic intends to continue to support the Pacific North West, including Professional Ag Services, Inc. with agronomy, farm management and agtech expertise however for the immediate future the employee numbers and corresponding costs of the Company's Pacific North West agronomy, farm management and agtech operations will be reduced. CropLogic has also agreed to sell 734 used units of its proprietary realTime in-field monitoring systems to Professional Ag Services, Inc. generating over \$US220,000

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<sup>2</sup> Calculation based on current shares on issue 416,605,449 and a conversion of Atlas convertible notes with a total value of \$AU6,107,382.17 at 2 cents for total of 304,421,541 CropLogic shares and the Short-Term Loans of converting into 17,500,000 shares. Note the exchange rate of 1.5147 used is subject to change and would affect this conversion to shares. The conversion of Atlas shares is subject to shareholder approval at a meeting of shareholders to be held in the coming weeks. Other resolutions at this meeting, such as the conversion of Director and short-term loans shares will affect the final interest in CropLogic Atlas holds. Note, calculation is on a non-dilutive basis and does not consider such securities as options or performance rights.

(\$AU333,234) in revenue for the company, along with a further \$US50,000 (\$AU75,735) in software licencing revenue, to be paid within 5 days of the agreement being entered into.

Atlas has provided its consent to the ProAg transactions described above. A summary of the relevant agreements relating to the ProAg transaction can be found in Appendix 3.

## ***2.2 Oregon Hemp Operations***

The Review has also considered the Company's Oregonian hemp trial farm operations. The drop in the CBD hemp price has had a significant impact on the industry and CropLogic is continuing to review its strategy for this part of its business. CropLogic does not intend to crop CBD hemp in the 2020 northern hemisphere season. In the interest of reducing operating costs in the meantime employee size has been reduced to key team members.

The sale of the crop from the 2019 season continues to be evaluated. CropLogic intends to negotiate payment plans with major creditors, including where possible paying them out of the proceeds of the crop, from 31 March 2020. CropLogic is continuing with its review of its strategy regarding the Trial Crop and further information is provided below.

## ***2.3 Regional Offices***

Further to the above changes, particularly in relation to the reduction of employee numbers to core strategic resources, it has been decided during the review of operations to close the Twin Falls, Idaho, Bend, Oregon, and Mildura, Australia offices – whilst maintaining a core personnel presence in Idaho, Oregon, Washington (by way of technology licensee Professional Ag Services, Inc and other core staff) and Australia.

## ***2.4 Summary of Review of Operations to date***

Despite the above changes, CropLogic continues to focus on its core business of agronomy, farm management and agricultural technology (Agtech) whilst significantly reducing its immediate running costs.

While undertaking these activities, in the 2019 North American cropping season, the Company started a hemp trial farm to develop methodologies for the cropping of hemp at scale (Trial Crop). CropLogic considers that, as a result of the trial farm, it has developed key intellectual property around the cropping of hemp. In reviewing its operations, in particular while the global depression of the CBD hemp industry and low prices of relevant commodities continues, CropLogic does not intend to crop CBD hemp in the 2020 northern hemisphere season.

Having now accomplished several key milestones in the review and restructure process ("Restructure"), CropLogic will continue to review its operations and the global market, particularly its key markets of Australia and the USA, regarding further future opportunities whereby its agronomy, farm management and agtech can be applied. This includes a review of suitable assets and opportunities in Australia and USA. CropLogic will update the market and shareholders as these discussions progress and as it is appropriate to do so.

## **3. Short Term Loan Agreement**

The Company has entered into a loan facility agreement with Boswell Prayer Limited, a Canadian based sophisticated investor, for an amount of \$US500,000 (\$AU757,350) to assist CropLogic to meet its short-term capital requirements. The loan is available for drawing in two tranches of \$US250,000, with tranche 1 being available following CropLogic's Shares being reinstated to trading on ASX and tranche 2 being available following CropLogic's Shares being reinstated to trading on ASX for 20 days. The loan facility matures on the date that is 60 days from the first draw down date. The principal amount must be repaid on or before 5 business days after the maturity date.

CropLogic may repay some or all of the amount outstanding prior to the repayment date and may, at its election, convert all amounts outstanding under the facility into CropLogic Shares at the conversion price of \$AU0.001 per share. If CropLogic elects to convert all amounts outstanding under the facility into CropLogic Shares than shareholder approval will be sort at this time. Interest of 10% is payable on all amounts outstanding. The facility is unsecured. The loan agreement includes representations and warranties given by CropLogic in favour of Boswell Prayer which are typical for an agreement of this type.

Subject to shareholder approval, CropLogic will issue Boswell Prayer Limited 20,000,000 options to following the first draw down date and 20,000,000 options following the second draw down date. The options will have an exercise price of \$AU0.01 and expiry date of 3 years from the respective draw down date.

#### **4. Future Funding**

Following earlier advice received from KPMG, the implementation of the above restructuring plan, lead and advised by Bourke Group, has resulted in a significant reduction in running costs for the business. As a result of the review of operations and changes as set out above, CropLogic believes that the funding available from the Atlas Strategic Share Placement Facility (as announced on 20<sup>th</sup> December 2019), the progressive realisation of the trial farm hemp crop, the revenue from the above transactions with ProAg, and the Short-Term Loan Agreement set out under point 3 above will be sufficient for its immediate operating expenditure.

Further to this the Company continues to review its future business strategy on how best to apply its agronomy, farm management and agtech expertise, and has begun consideration of opportunities and asset acquisitions that may give rise to future equity raisings. The Company will update shareholders on these developments once they become sufficiently certain.

#### **5. Reinstatement of the Company's securities to ASX trading**

The Company intends to hold a general meeting ("General Meeting") in the coming weeks to seek shareholder approval necessary to complete the various steps of the restructure including those mentioned in this announcement.

The Company has been working closely with the ASX, particularly during the preceding weeks, in regards to the impacts of the review and restructure and working towards eventual reinstatement of its securities to ASX trading. In consultation with the ASX the Company has agreed not to seek reinstatement of its securities to ASX trading at this time, but to remain suspended until at least the outcome of the General Meeting is known.

The progress of the restructuring plan to date, including those resolutions proposed at the upcoming General Meeting, are thought to significantly reduce running costs and allow CropLogic the flexibility to consider and potentially take advantage of opportunities and asset acquisitions that can see the Company best apply its agronomy and farm management and agtech expertise. These are seen as prudent measures to the benefit of shareholders considering environmental elements outside of the Company's control. If shareholder approval is given and the proposed transactions are completed, reinstatement of the Company's securities to trading on the ASX should not be implied as automatic or as a fait accompli. Following the outcome of this General Meeting the Company will need to engage with the ASX in regards to reinstatement and the Company's compliance with the Listing Rules, including Listing Rule 12.2, which ASX has confirmed it cannot assess at this time. CropLogic is committed to continuing to work closely with the ASX on this matter.

This announcement has been authorized by the Board of CropLogic Limited

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Appendix 1

Key Terms of the Atlas Convertible Deed	
<b>Conversion Shares</b>	<p>The Company will issue such number of shares (<b>Conversion Shares</b>) to Atlas equal to:</p> $\frac{\$US4,032,073.79 \times \text{Exchange Rate on the Conversion Date}}{\$AU0.02 \text{ (Conversion Price)}}$ <p>The exchange rate means the rate of exchange reported by Bloomberg LP on the Conversion Date.</p>
<b>Options</b>	<p>The Company will issue to Atlas the number of unquoted options equal to the number of Conversion Shares divided by 2, with an exercise price of \$AU0.02 and exercisable within 5 years of the issue date (<b>Noteholder Options</b>).</p>
<b>Condition Precedent</b>	<p>The issue of the Conversion Shares and Noteholder Options are subject to shareholder approval.</p>
<b>Conversion Date</b>	<p>The Company will issue the Conversion Shares and Noteholder Options on the date that is two business days after shareholder approval is obtained.</p>
<b>True-Up Shares</b>	<p>Subject to shareholder approval, the Company will issue additional shares to Atlas (<b>True-Up Shares</b>) on the date that is 5 business days after shareholder approval. The True-Up Shares will be issued in two tranches (<b>Tranche 1 True-Up Shares</b> and <b>Tranche 2 True-Up Shares</b>) according to the following formula:</p> <p>A - B = C</p> <p>C / D = E</p> <p>E - F = G</p> <p>Where:</p> <p>A = Starting balance on Conversion Date or balance remaining at the end of the First True-Up Period.</p> <p>B = Proceeds sold during relevant True-Up Period.</p> <p>C = Balance outstanding.</p> <p>D = Lowest 30-day Volume Weighted Average Price of shares during the relevant True-Up Period.</p> <p>E = Shares due.</p> <p>F = Shares on hand at end of relevant True-Up Period.</p> <p>G = Shares to issue (subject to shareholder approval).</p> <p>If shareholder approval for the Tranche 1 True-Up Shares or Tranche 2 True-Up Shares is not obtained, the Company will make the equivalent True-Up payments in cash.</p>

<b>True-Up Periods</b>	<p>First True-Up Period is the period commencing on the Company's shares being reinstated to trading on ASX and ending on the date that is 90 days following the Company's shares being reinstated to trading on ASX.</p> <p>Second True-Up Period is the period commencing on the date that is 91 days following the Company's shares being reinstated to trading on ASX and ending on the date that is 180 days following the Company's shares being reinstated to trading on ASX.</p>
<b>Shareholder approval</b>	<p>The Company covenants in favour of Atlas to hold general meetings within 45 days of the end of the First True-Up Period and Second True-Up Period in order for shareholders to consider to approve the issue of the relevant True-Up Shares.</p>
<b>Noteholder Consent &amp; Release</b>	<p>The Noteholder consents to:</p> <ol style="list-style-type: none"> <li>1. the Company raising up to \$AU750,000; and</li> <li>2. the conversion of loans into Shares under the Short-Term Loan Conversion Deeds; and</li> <li>3. the issue of True-Up Shares under the Short-Term Loan Conversion Deeds.</li> </ol>
<b>Company Covenants</b>	<p>The Company covenants in favour of Atlas that it will:</p> <ol style="list-style-type: none"> <li>1. not incur any senior secured debt until 60 days following the Tranche 2 True-Shares being traded on ASX (<b>Escrow Period</b>);</li> <li>2. procure that the Board of the Company, related parties to the Board and senior management of the Company agree to a voluntary escrow of their shares, shares issued on conversion of the outstanding loans and any True-Up Shares issued during the Escrow Period; and</li> <li>3. hold a general meeting on or around the 3<sup>rd</sup> April 2020 to approve the issue of at least 62 million shares under the Atlas Strategic Share Placement (see ASX announcement dated 20 December 2019 for further details).</li> </ol>

## Appendix 2

Key Terms of the Short Term Loan Conversion Deeds	
<b>Conversion Shares</b>	The Company will issue such number of shares ( <b>Conversion Shares</b> ) to the Lender equal to the amount outstanding divided by \$AU0.02 ( <b>Conversion Price</b> ).
<b>Options</b>	The Company will issue to the Lender the number of unquoted options equal to the number of Conversion Shares divided by 2, with an exercise price of \$AU0.02 and exercisable within 5 years of the issue date ( <b>Lender Options</b> ).
<b>Condition Precedent</b>	The issue of the Conversion Shares and Lender Options are subject to shareholder approval.
<b>Conversion Date</b>	The Company will issue the Conversion Shares and Lender Options on the date that is two business days after shareholder approval is obtained.
<b>True-Up Shares</b>	<p>Subject to shareholder approval, the Company will issue additional shares to the Lender (<b>True-Up Shares</b>) on the date that is 5 business days after shareholder approval. The True-Up Shares will be issued in two tranches (<b>Tranche 1 True-Up Shares</b> and <b>Tranche 2 True-Up Shares</b>) according to the following formula:</p> <p>A - B = C</p> <p>C / D = E</p> <p>E - F = G</p> <p>Where:</p> <p>A = Starting balance on Conversion Date or balance remaining at the end of the First True-Up Period.</p> <p>B = Proceeds sold during relevant True-Up Period.</p> <p>C = Balance outstanding.</p> <p>D = Lowest 30-day Volume Weighted Average Price of shares during the relevant True-Up Period.</p> <p>E = Shares due.</p> <p>F = Shares on hand at end of relevant True-Up Period.</p> <p>G = Shares to issue (subject to shareholder approval).</p> <p>If shareholder approval for the Tranche 1 True-Up Shares or Tranche 2 True-Up Shares is not obtained, the Company will make the equivalent True-Up payments in cash.</p>
<b>True-Up Periods</b>	First True-Up Period is the period commencing on the Company's shares being reinstated to trading on ASX and ending on the date that is 90 days following the Company's shares being reinstated to trading on ASX.

	<p>Second True-Up Period is the period commencing on the date that is 91 days following the Company's shares being reinstated to trading on ASX and ending on the date that is 180 days following the Company's shares being reinstated to trading on ASX.</p>
<p><b>Shareholder approval</b></p>	<p>The Company covenants in favour of the Lender to hold general meetings within 45 days of the end of the First True-Up Period and Second True-Up Period in order for shareholders to consider to approve the issue of the relevant True-Up Shares.</p>

### Appendix 3

Key Terms of the ProAg CropLogic Transaction Agreements	
<b>Buyer</b>	Professional Ag Services, Inc
<b>Assets</b>	<p>The Buyer and ProAg CropLogic LLC have agreed to enter into an agreement (<b>ProAg Asset Purchase Agreement</b>) to return the assets of the ProAg business originally acquired by ProAg CropLogic LLC and other additional items which are part of the ProAg business. The assets being acquired by the Buyer from ProAg CropLogic LLC under the ProAg Asset Purchase Agreement comprise:</p> <ol style="list-style-type: none"> <li>1. business contracts;</li> <li>2. vehicles;</li> <li>3. cell phones, ipad, computer equipment and software (other than the Software as defined in the Software Licence Agreement); and</li> <li>4. business personal property.</li> </ol> <p>ProAg CropLogic LLC will be entitled to all accounts receivable as at 20 February 2020 (<b>Effective Date</b>) which are subsequently received by Professional Ag Services, Inc .</p>
<b>Liabilities</b>	The Buyer will not assume any liabilities, including liabilities relating to employment or product liability. The Buyer will assume liabilities relating to the business contracts being transferred, vehicles and liabilities which were assumed by ProAg CropLogic LLC under the original sale agreement.
<b>Consideration</b>	In consideration for the transfer of the assets of the ProAg business, the Buyer will release ProAg CropLogic LLC from its obligation to pay the final instalment of \$US315,000 under the original sale agreement and agree to pay CropLogic a licence fee for certain software, including CropLogic realTime, under the Software Licence Agreement.
<b>Conditions Precedent</b>	Completion is conditional on execution of the Equipment Sale Agreement and Software Licence Agreement. [which have been simultaneously executed on 20 February 2020].
<b>Other key terms</b>	<p>The ProAg Asset Purchase Agreement includes representations and warranties given by ProAg CropLogic LLC in favour of the Buyer which are typical for an agreement of this type, including:</p> <ol style="list-style-type: none"> <li>1. ownership and delivery of assets and other property;</li> <li>2. holding all licences, permits and authorisation required for the ownership and operation of the transferred assets; and</li> <li>3. compliance with employee obligations.</li> </ol> <p>ProAg CropLogic LLC indemnifies the Buyer from all losses, claims and liabilities in relation to certain events including a breach of the ProAg Asset Purchase Agreement, operation of the business between 20 February 2020 (<b>Initial Closing</b>) and the Effective Date, claims relating to the employment of ProAg CropLogic LLC's employees arising or accruing after the Initial Closing and prior to the Effective Date or any</p>

	<p>termination of such employment and any other liability that is not being assumed by the Buyer.</p> <p>The Buyer releases ProAg CropLogic LLC and its related entities (and respective officers) from all claims arising out of the business, the assets of the business and the original sale agreement.</p>
<p><b>Software Licence Agreement</b></p>	<p>CropLogic grants to the Buyer a non-exclusive, non-sublicensable, non-transferrable, revocable licence to use CropLogic realTime and CropLogic GrowerView Source Code (<b>Software</b>) and documentation related to the Software in Washington, Idaho and Oregon for a period of five years for the purpose of providing in-field agricultural technology data collection, monitoring and data sharing.</p> <p>The Software does not include user generated and device generated data from customers of the ProAg business, which is owned by the Buyer (<b>Data</b>).</p> <p>The agreement will be automatically renewed for subsequent periods of 12 months unless either party provides notice that it does not wish for the agreement to continue at least 60 days prior to the end of the current term.</p> <p>An initial licence fee of \$US50,000 is payable by the Buyer within five days of execution of the Software Licence Agreement. The initial license fee shall be the only fee required during the first 12 months. After the first 12 months, the Buyer shall pay a total sum of \$US10,000 for each additional 12-month period.</p> <p>Any modification, enhancement, and change to the Source Code performed by the Buyer or their agents (e.g. contracted software developers) during the licence term shall be co-owned by CropLogic and the Buyer 50/50. The Buyer is not required to share any modification, enhancement, and change to the Data, any systems which perform data collection / reporting or applications developed by the Buyer that interface with the Software.</p>
<p><b>Equipment Sale Agreement</b></p>	<p>CropLogic will sell 734 units of its proprietary realTime in-field monitoring systems to the Buyer for \$US220,200. The Buyer may decide to purchase additional units from CropLogic for \$US300 per unit plus shipping.</p> <p>Completion is conditional on execution of the ProAg Asset Purchase Agreement, Software Licence Agreement and obtaining consent of Atlas.</p> <p>All units are sold “as is, where is” without any warranty or commitment, implied or otherwise, on the part of CropLogic and title to, property in and risk of loss in the units passes to the Buyer at completion.</p>

## Appendix 4

### CropLogic Limited

Pro Forma Statement of Financial Position  
As at 28 February 2020 (unaudited)

	CropLogic Reviewed 30-Sep-19	Pro Forma Unaudited 28-Feb-20
Equity		
Share capital	21,554,462	25,781,967
Other Equity	1,407,728	1,407,728
Retained earnings (losses)	(15,861,771)	(21,136,419)
Reserves	1,924,221	(3,476,072)
Forex Translation Reserve		(228,498)
<b>Total Equity</b>	<b>9,024,640</b>	<b>2,348,706</b>
Represented by:		
Current assets		
Cash & cash equivalents	1,802,109	1,389,409
Trade & other receivables	567,729	86,514
Income tax receivable	1,845	1,849
Inventories	62,645	74,464
Deferred tax assets	-	-
Other current assets	1,289,969	329,362
Biological Assets	5,197,036	1,300,000
<b>Total Current Assets</b>	<b>8,921,333</b>	<b>3,181,598</b>
Current liabilities		
Trade & other payables	578,973	763,616
Current borrowings	3,298,125	210,960
Other current liabilities	254,781	179,385
Contingent consideration	444,429	
Income tax payable	219,888	220,428
Lease liabilities	731,292	731,293
<b>Total Current Liabilities</b>	<b>5,527,488</b>	<b>2,105,682</b>
Working Capital	3,393,845	1,075,916
Non Current Assets		
Property, plant & equipment	2,617,057	397,446
Intangibles	895,208	899,701
Goodwill	2,243,284	-
Other non-current assets		-
Right-of-use assets	1,628,221	1,628,221
<b>Total Non Current Assets</b>	<b>7,383,770</b>	<b>2,925,368</b>
Non Current Liabilities		
Borrowings	706,066	605,669
Convertible notes		
Lease liabilities	1,046,909	1,046,910
<b>Total Non Current Liabilities</b>	<b>1,752,975</b>	<b>1,652,579</b>
<b>Net Assets</b>	<b>9,024,640</b>	<b>2,348,705</b>

### Notes to Pro-Forma Balance Sheet

1. This is a pro-forma balance, prepared by management and is as at 28th February 2020;
2. The balance sheet is unaudited and therefore subject to change;
3. Key transactions included in this Pro-Forma Balance Sheet are as follows:
  - a. Conversion of Atlas Debt to Equity: Being the conversion of \$US4,032,073.79 (\$AU6,107,382.17) of debt referred to in the announcement as this Atlas Conversion Deed and in the Notice of Meeting as Resolution 1;

- b. Conversion of Short-Term Loan Debt to Equity: Being the conversion of \$AU350,000 of debt referred to in this announcement as the Short-Term Loan Conversion Deeds and in the Notice of Meeting as Resolutions 2 through 4;
- c. ProAg Transaction: Transactions related to the ProAg Transaction referred to in the announcement as item 2.1 Pacific North West agronomy, farm management and agtech operations;
- d. Boswell Prayer Loan: Transactions related to the Boswell Prayer Loan for \$US500,000 (\$AU757,350) referred to in the announcement as the item 3. Short Term Loan Agreement.
- e. Atlas Facility: Transactions related to the issue of 62,490,817 shares (being CLI's 15% capacity) at 2 cents to Atlas capital markets under the Atlas Facility (as announced on 20th December 2019) to generate \$1,249,816 of cash inflows referred to in the announcement under item 4. Future Funding and in the Notice of Meeting as Resolution 10.

## Appendix 5

The following indicative Pro-Forma Capital Structure is provided to demonstrate the impacts on the Capital Structure of some of the restructure measures outlined in this announcement.

### CropLogic Pro-Forma Capital Structure

*The information is indicative of nature*

	No. of Shares	%	Conversion / Issue Price	USD\$	Nominal AUD\$ Amount
Current shares on issue	416,605,449	52%	\$ 0.02		
Conversion pursuant to the Atlas Conversion Deed	304,421,541	38%	\$ 0.02	\$ 4,032,073	\$ 6,088,431
Conversion pursuant to the Short-Term Loan Conversion Deeds	17,500,000	2%	\$ 0.02		\$ 350,000
Atlas Strategic Share Placement Facility	62,490,817	8%	\$ 0.02		\$ 1,249,816
<b>Sub-total</b>	<b>801,017,807</b>	<b>100%</b>			

*The above Capital Structure is for ordinary shares*

*It does not include options or performance rights (non-fully diluted basis)*

*It does not include True-Up shares the quantum of which is unknown (non-fully diluted basis)*

*Atlas Strategic Shares Placement Facility Issue Price of \$0.02 indicative only*