

# Annual Report

31 March 2021

CropLogic Limited

ARBN 619 330 648

New Zealand Company Number 3184550

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# DIRECTORS' REPORT

## Directors' Report CropLogic Limited 31 March 2021

The Directors present their report, together with the financial statements, of the consolidated group (referred to hereafter as the 'consolidated entity') consisting of CropLogic Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 March 2021.

### Directors

The following persons were Directors of CropLogic Limited during the course of the financial year and up to the date of this report. Directors were in office for the entire period unless otherwise stated:

Mr. Steven Wakefield - Chairman/Non-executive Director (Resigned 2 August 2021)

Mr. Peter Roborgh - Non-executive Director (Resigned 2 August 2021)

Mr. John Corbett - Non Executive Director (Resigned 17 July 2020)

Mr. Stephen Silver - Non-executive Director (Resigned 8 November 2021)

Mr. Peter Gray - Non-executive Director (Appointed 2 August 2021)

Mr. Simon Andrew - Non-executive Director (Appointed 2 August 2021)

Mr. Sean Delaney - Non-executive Director (Appointed 9 November 2021)

### Information on Directors and Company Secretary

#### **Mr. Steven Wakefield, B.Comm, B.Sc. FCA. C.M.Inst.D (Non-Executive Chairman)**

Mr Wakefield was appointed to the Board on 27 August 2013. He was appointed Acting Chairman on 15 February 2019 and Chairman on 30 April 2019.

Mr Wakefield's career has seen him working for over 30 years with global accounting and management consulting firm Deloitte both in New Zealand and the USA in such roles as Senior Partner – Risk Advisory and Managing Partner, Christchurch office.

He is a director of Foodstuffs South Island Limited, the NZ Health Innovation Hub, former Deputy Chair of the Canterbury District Health Board, and an experienced director and trustee. Steven was named as New Zealand's top Chartered Accountant in the 2012 NZICA annual leadership awards.

Mr Wakefield resigned on 2 August 2021.

#### **Mr. Peter Roborgh, BSc, MSc(Hons) (Non-Executive Director)**

Mr Roborgh was appointed to the Board on 2 November 2010.

Mr Roborgh was General Manager of rural telco FarmSide at NZX listed TeamTalk Ltd. Earlier he served as Chief Operating Officer of Energy Mad Ltd. In this role he was responsible for representing Energy Mad's interests in its joint venture with its Chinese manufacturing partner, for establishing new national sales channels and for all aspects of worldwide fulfilment and logistics.

Prior to Energy Mad, he worked for the New Zealand Institute of Plant and Food Research evaluating the intellectual property, market proposition and future for CropLogic and was instrumental in CropLogic being established as a separate company. Peter was earlier Chief Executive of telco CallSouth Ltd, a business he established and subsequently sold to NZX listed TrustPower. Peter has a strong track record in FMCG, financial services and energy utilities and in startups in telecommunications, consumer electronics and agritech.

Mr Roborgh resigned on 2 August 2021.

# DIRECTORS' REPORT

## **Mr. John Corbett, Bbus(BusAccy), Mbus(AppFin) (Non-Executive Director)**

Mr. Corbett was appointed to the Board on 1 November 2018.

Mr Corbett has almost 30 years' sector expertise in agriculture, agribusiness and infrastructure, providing organisations with corporate finance, strategic planning, business planning, business operations, governance, and financial analysis.

Beyond agriculture, agribusiness and infrastructure, Mr Corbett has worked across a range of industry sectors including manufacturing, retail and wholesale trade, mining and property, and has extensive practice in providing commercial, strategic and financial advisory services to both domestic and international clients.

Mr Corbett holds a Master of Business in Applied Finance and has had a banking career spanning 23 years. During this time he occupied senior corporate banking and infrastructure project finance roles with several major banks.

Mr Corbett provides practical knowledge and investment experience within the agribusiness sector with current Board appointments in the agriculture, solar and aquaculture industries.

Mr Corbett resigned on 17 July 2020.

## **Mr. Stephen Silver (Non-Executive Director)**

Mr Silver was appointed to the Board on 22 February 2019.

Mr Silver brings 10 years of corporate finance experience to the board. Having worked in Perth, Sydney, London and New York. He is currently Managing Director of Evolution Capital Advisors Pty Ltd.

Mr Silver resigned on 8 November 2021.

## **Mr. Simon Andrew (Non-Executive Director)**

Mr Andrew was appointed to the Board on 2 August 2021.

Mr Andrew is a commercial and financial executive and experienced director of ASX listed companies. He is currently a non-executive director of Mamba Exploration Limited and Rivergold Limited. He was also recently a non-executive director of Lotus Resources Limited. Mr Andrew has played a pivotal role in the sourcing and acquisition of projects for each of these companies.

## **Mr. John Gerard(Sean) Delaney (Non-Executive Director)**

Mr Delaney was appointed to the Board on 9 November 2021.

Mr Delaney is a mining industry veteran with more than 30 years of board and executive level experience with substantial operational and financial expertise. He has held a variety of leadership positions in both operations and finance including Director and Chief Financial Officer in mining and exploration companies involved in gold, coal, copper and uranium projects. Sean has a broad range of experience in mining operations, mergers and acquisitions, corporate finance, hedging, and information system management implementation.

Mr Delaney is the current CFO and a director of Rocktivity Mining Pty Ltd and was previously the CFO and a director of Gobi Coal and Energy Limited. Sean has previous ASX experience as the CFO of Prosperity Resources Limited and Croesus Mining NL.

# DIRECTORS' REPORT

## Company Secretary and Non-executive Director

### Mr Peter Gray (Non-Executive Director and Company Secretary)

Mr Gray was appointed as Company Secretary on 31 March 2021 and director on 2 August 2021.

Mr Gray has broad experience across the entire corporate finance and capital markets sector and been involved in both corporate finance advisory and equities research. Peter's skill base is grounded in a detailed understanding of valuations and valuation methodology.

## Chief Executive Officer

### Mr. James Cooper-Jones, B.A./B.Comm, FIPA, FIFA, GIACert, F Fin

Mr Cooper-Jones was appointed as Chief Executive Officer 22 June 2017.

A graduate of one of Australia's top ranked agricultural universities James is an experienced finance executive with a global perspective and has managed accounting and reporting functions in Australia, Asia, Africa and the Middle East. James' career has seen him hold accounting and secretarial roles in companies in the resources, agriculture, import/export and information technology industries. James also has extensive experience managing listed entities including reporting, marketing and investor relations, market positioning, branding and capital raising.

Mr Cooper-Jones resigned on 3 June 2020. No replacement CEO has been appointed.

## Dividends

No dividends have been declared or paid during the financial year ended 31 March 2021.

## Principal activities

During the year the group ceased all operations related to hemp farming and embarked on a process of identifying new opportunities that could be acquired by CropLogic.

## Review of operations

### Overview

The group dissolved its USA based entities and ceased all operations related to hemp farming.

Croplogic negotiated an agreement (New ProAg Agreement) that licensed 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 service business, (Professional Ag Services, Inc., a Washington corporation, (ProAg Vendors).

The Group has investigated a number of new opportunities that could be acquired by CropLogic.

# DIRECTORS' REPORT

## Review and Restructure

Due to the trial farm crop failure (announced on 20 December 2019) as well as market conditions out of the Company's control, such as the drop in the CBD hemp price, the Company undertook a comprehensive review of its operations and financial situation (Review and Restructure).

The Company engaged KPMG to provide some advisory assistance and Bourke Group to assist in the development of a potential restructuring plan.

As announced on 3 April 2020, a settlement of the dispute with NW Ag Solutions LLC and Bradley V. Shephard and Stanley V. Shephard was reached whereby CropLogic relinquished the biological asset from the hemp farm trial, plus paid US\$15,000.

Subsequent to the "review and restructure" of the Groups operations, the Group dissolved its wholly owned subsidiaries in the USA.

## Administration Period

On 22 July 2020, Craig William Melhuish and Christine Jane Johnston of Nexia New Zealand were appointed as joint and several voluntary administrators (Administrators) of CropLogic Limited and a liquidator was appointed to CropLogic Australia Pty Ltd.

On 25 August 2020, at the watershed meeting of creditors, the Administrators outlined a proposal received by them from an interested party and recommended that the Group's creditors approve a Deed of Company Agreement (DOCA) in order to complete a transaction that would result in the best return for creditors. The creditors resolved to execute a DOCA, with the terms yet to be finalised.

A DOCA was finalised and executed by the Directors and the Administrators (now referred to as the "Deed Administrators") on 15 September 2020. A copy of the executed Deed of Company Arrangement is available on the New Zealand Companies Office website.

On 30 November 2020, the Deed Administrators distributed funds in accordance with the terms of the DOCA. And, on 30 March 2021, the DOCA automatically terminated and the Company was reverted back to its Directors.

## Matters subsequent to the end of the financial year

The CropLogic Board has been reviewing suitable projects for the Company and its Shareholders. In December 2021 CropLogic announced the proposed acquisition of Rocktivity Gold Pty Ltd and associated exploration assets in the Goldfields and the Kimberley region of Western Australia. The Company is seeking to re-comply with the listing rules of the ASX and seek re-statement to the ASX on this basis.

# DIRECTORS' REPORT

## Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 a copy of the Company's Governance Statement can be obtained at the following website: <https://croplogic.com.au/>

## Meeting of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2021, and the number of meetings attended by each director were:

|                                  | Board                                |      |
|----------------------------------|--------------------------------------|------|
|                                  | Remuneration & Nomination Committee* |      |
|                                  | Audit & Risk Committee*              |      |
|                                  | Attended                             | Held |
| Mr Steven Wakefield <sup>1</sup> | 14                                   | 14   |
| Mr Peter Roborgh <sup>2</sup>    | 12                                   | 14   |
| Mr John Corbett <sup>3</sup>     | 14                                   | 14   |
| Mr Stephen Silver <sup>4</sup>   | 14                                   | 14   |

\* In the previous year, the Board resolved that the full Board will act as the Audit, Risk, Remuneration & Nomination Committee and all relevant matters were discussed at board meetings.

1. Mr Steven Wakefield resigned on 2 August 2021
2. Mr Peter Roborgh resigned on 2 August 2021
3. Mr John Corbett resigned on 17 July 2020.
4. Mr Stephen Silver resigned on 8 November 2021.

# DIRECTORS' REPORT

## Remuneration report

The remuneration report details the key management personnel remuneration arrangements for the Group.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants, the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

# DIRECTORS' REPORT

## Non-executive director's remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21 June 2017, where the shareholders approved a maximum annual aggregate remuneration of \$250,000.

## Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

| Details of remuneration            |      | Short-term benefits        |                  | Post-employment benefits | Long - term benefits     | Share - based payments |                               | Total     |
|------------------------------------|------|----------------------------|------------------|--------------------------|--------------------------|------------------------|-------------------------------|-----------|
|                                    |      | Cash Salary and fees<br>\$ | Cash bonus<br>\$ | Superannuation<br>\$     | Long service leave<br>\$ | Options                | Performan-<br>ce rights<br>\$ |           |
| Non-Executive Directors:           |      |                            |                  |                          |                          |                        |                               |           |
| Mr Steven Wakefield <sup>1</sup>   | 2021 | -                          | -                | -                        | -                        | -                      | -                             | -         |
|                                    | 2020 | 91,204                     | -                | -                        | -                        | 108,306                | -                             | 199,510   |
| Mr Peter Roborgh <sup>2</sup>      | 2021 | -                          | -                | -                        | -                        | -                      | -                             | -         |
|                                    | 2020 | 41,877                     | -                | -                        | -                        | 72,204                 | -                             | 114,081   |
| Mr John Corbett <sup>3</sup>       | 2021 | -                          | -                | -                        | -                        | -                      | -                             | -         |
|                                    | 2020 | 40,000                     | -                | 3,800                    | -                        | 72,203                 | -                             | 116,003   |
| Mr Stephen Silver <sup>5</sup>     | 2021 | -                          | -                | -                        | -                        | -                      | -                             | -         |
|                                    | 2020 | -                          | -                | -                        | -                        | 108,306                | -                             | 108,306   |
| Other Key Management Personnel:    |      |                            |                  |                          |                          |                        |                               |           |
| Mr James Cooper-Jones <sup>4</sup> | 2021 | 17,697                     | -                | -                        | -                        | -                      | -                             | 17,697    |
|                                    | 2020 | 322,500                    | -                | 30,637                   | -                        | -                      | 182,694                       | 535,831   |
| <b>Total</b>                       | 2021 | 17,697                     | -                | -                        | -                        | -                      | -                             | 17,697    |
|                                    | 2020 | 495,581                    | -                | 34,437                   | -                        | 361,019                | 182,694                       | 1,073,731 |

1. Mr Steven Wakefield resigned on 2 August 2021.

2. Mr Peter Roborgh resigned on 2 August 2021.

3. Mr John Corbett resigned on 17 July 2020.

4. Mr James Cooper-Jones resigned on 3 June 2020.

5. Mr Stephen Silver resigned on 8 November 2021.

# DIRECTORS' REPORT

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

**Name:** Mr Steven Wakefield  
**Title:** Non-Executive Director (and Chairman from 30 April 2019)  
Agreement commenced: 14 June 2017  
Resignation date: 2 August 2021  
Term of agreement: Ongoing and subject to shareholder approval to date of resignation.  
Details: Base annual remuneration of AUD 80,000

**Name:** Mr Peter Roborgh  
**Title:** Non-Executive Director  
Agreement commenced: 14 June 2017  
Resignation date: 2 August 2021  
Term of agreement: Ongoing and subject to shareholder approval to date of resignation.  
Details: Base annual remuneration of AUD 40,000

**Name:** Mr Stephen Silver  
**Title:** Non-Executive Director  
Agreement commenced: 20 February 2019  
Resignation date: 8 November 2021  
Term of agreement: Ongoing and subject to shareholder approval to date of resignation.  
Details: Base annual remuneration of AUD 40,000

**Name:** Mr John Corbett  
**Title:** Non-Executive Director  
Agreement commenced: 22 October 2018  
Resignation date: 17 July 2020  
Term of agreement: Ongoing and subject to shareholder approval to date of resignation.  
Details: Base annual remuneration of AUD 40,000

**Name:** James Cooper-Jones  
**Title:** Chief Executive Officer  
Agreement commenced: 5 July 2019  
Resignation date: 3 June 2020  
Term of agreement: Initial term of 12 months and then ongoing by mutual consent to date of resignation.  
Details: Base Remuneration: AUD 350,000  
Notice Period: 3 months

**Name:** Peter Gray  
**Title:** Non-Executive Director and Company Secretary  
Agreement commenced: 2 August 2021  
Term of agreement: Ongoing and subject to shareholder approval to date of resignation.  
Details: Base Annual Remuneration of AUD 48,000 (Comp Sec) and AUD 36,000 (NED)

# DIRECTORS' REPORT

**Name:** Simon Andrew  
**Title:** Non-Executive Chair  
**Agreement commenced:** 2 August 2021  
**Term of agreement:** Ongoing and subject to shareholder approval to date of resignation.  
**Details:** Base annual Remuneration of AUD 36,000

**Name:** Sean Delaney  
**Title:** Non-Executive Director  
**Agreement commenced:** 9 November 2021  
**Term of agreement:** Ongoing and subject to shareholder approval to date of resignation.  
**Details:** Base annual Remuneration of AUD 36,000

## Short Term Incentive Plan

The Company has no active short term incentive plans.

## Long Term Incentive Plan

The Company has no long term incentive plans.

## Share-based compensation

### Issue of performance rights

Details of performance rights issued to directors and other key management personnel as part of compensation are set out below:

#### Year-ended 31 March 2021

No performance rights issued during the year end 31 March 2021.

#### Year-ended 31 March 2020

| Name                  | Date           | Performance | Issue price | \$      |
|-----------------------|----------------|-------------|-------------|---------|
| Mr James Cooper-Jones | 19 August 2019 | 9,000,000   | \$0.0599    | 165,933 |

### Issue of options

Details of options issued to directors and other key management personnel as part of compensation are set out below:

#### Year-ended 31 March 2021

No options issued during the year ended 31 March 2021.

#### Year-ended 31 March 2020

| Name            | Date           | Performance       | Issue price | \$             |
|-----------------|----------------|-------------------|-------------|----------------|
| Steve Wakefield | 19 August 2019 | 3,000,000         | \$0.0361    | 108,306        |
| Peter Roborgh   | 19 August 2019 | 2,000,000         | \$0.0361    | 72,204         |
| Stephen Silver  | 19 August 2019 | 3,000,000         | \$0.0361    | 108,306        |
| John Corbett    | 19 August 2019 | 2,000,000         | \$0.0361    | 72,203         |
|                 |                | <u>10,000,000</u> |             | <u>361,019</u> |

# DIRECTORS' REPORT

## Additional disclosure relating to key management personnel

### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                 | Balance at the start of<br>the year | Received as part<br>of remuneration | Additions | Disposals<br>/ Other | Balance at the end of<br>the year |
|---------------------------------|-------------------------------------|-------------------------------------|-----------|----------------------|-----------------------------------|
| <b>Ordinary shares</b>          |                                     |                                     |           |                      |                                   |
| Steven Wakefield <sup>1</sup>   | 13,517,729                          | -                                   | 2,500,000 | -                    | 16,017,729                        |
| Peter Roborgh <sup>2</sup>      | 3,384,000                           | -                                   |           | -                    | 3,384,000                         |
| John Corbett <sup>3</sup>       | 4,666,667                           | -                                   |           | -                    | 4,666,667                         |
| Stephen Silver <sup>4</sup>     | 31,497,035                          | -                                   | 2,500,000 | -                    | 33,997,035                        |
| James Cooper-Jones <sup>5</sup> | 2,762,672                           | -                                   |           | -                    | 2,762,672                         |

1. Mr Steven Wakefield resigned on 2 August 2021.
2. Mr Peter Roborgh resigned on 2 August 2021.
3. Mr John Corbett resigned on 17 July 2020.
4. Mr Stephen Silver resigned on 8 November 2021.
5. Mr James Cooper-Jones resigned on 3 June 2020.

**This concludes the remuneration report.**

# DIRECTORS' REPORT

## Directors' Interest

| Name                                  | Interest                                                                                       | Nature of Potential conflict and estimated value (if known)     |
|---------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Mr Steven Wakefield - Chairman</b> | Former Partner at Deloitte                                                                     | Deloitte were the accounting and tax advisors for CropLogic     |
|                                       | Director & beneficial owner – Innovative Software Limited                                      | CropLogic Shareholder                                           |
|                                       | Director – INOV8 Limited                                                                       | Software Development Company                                    |
|                                       | Director – NZ Health Innovation Hub                                                            | Joint venture of Auckland, Counties Manukau and Canterbury DHBs |
|                                       | Director – Steve Wakefield Services Ltd                                                        | Governance and consulting services                              |
|                                       | Chairman – Greater Christchurch Schools Network Trust                                          |                                                                 |
|                                       | Director – Townsend Fields Limited                                                             | Residential Land Development                                    |
|                                       | Appointed Member – Quality, Finance, Audit & Risk Committee – Canterbury District Health Board |                                                                 |
|                                       | Citizens' Trustee – The Court Theatre Trust                                                    |                                                                 |
|                                       | Trustee – Church Property Trustees of the Anglican Diocese of Christchurch                     |                                                                 |
|                                       | Council Member – University of Canterbury                                                      |                                                                 |
|                                       | Director – Carolina Homes Limited                                                              |                                                                 |
|                                       | Director – RHOAD Limited                                                                       |                                                                 |
|                                       | Founding Member – Canterbury Angels Association                                                |                                                                 |
|                                       | Director & Shareholder – Nutrient Rescue Ltd                                                   |                                                                 |
|                                       | Director – Wakefield Holdings Limited                                                          |                                                                 |
|                                       | Director – Brackenridge Services Limited                                                       |                                                                 |
|                                       | Director – Foodstuffs South Island Limited                                                     |                                                                 |
|                                       | Foodstuffs (SI) Properties Limited                                                             |                                                                 |
|                                       | Murdoch Manufacturing Limited                                                                  |                                                                 |
|                                       | Director/Shareholder – EVNEX Limited                                                           | Electric vehicle smart chargers                                 |

## DIRECTORS' REPORT

| Name                           | Interest                                                        | Nature of Potential conflict and estimated value (if known)   |
|--------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------|
| <b>Mr John Corbett - NED</b>   | Director – Hemagrove Pty Ltd                                    |                                                               |
|                                | Director – PlexiSun Australia Pty Ltd + PlexiSun Limited (NZ)   |                                                               |
|                                | Director – Blue Harvest Pty Ltd                                 |                                                               |
|                                | Director – Philip Yates Family Holdings Limited (NZ)            |                                                               |
|                                | Chairman – Queensland Rural and Industry Development Authority  |                                                               |
| <b>Mr Stephen Silver - NED</b> | Evolution Capital Advisors Pty Ltd – Managing Director          | Evolution Capital is CLI's Corporate Advisor                  |
|                                | LTL Capital                                                     |                                                               |
| <b>Mr Peter Roborgh - NED</b>  | Licensee – Platform 1 Business Ownership Transition Consultants |                                                               |
| <b>Mr Peter Gray - NED</b>     | Director - Moore Australia Corporate Finance (WA) Pty Ltd       | Moore Australia provides bookkeeping and accounting services. |
| <b>Mr Simon Andrew - NED</b>   | Director - Riversgold Ltd                                       |                                                               |
|                                | Director - Mamba Exploration Ltd                                |                                                               |
|                                | Director - Recharge Metals                                      |                                                               |
| <b>Mr Sean Delaney - NED</b>   | Director - Rocktivity Mining Pty Ltd                            |                                                               |

### Employee Remuneration

No current or former employees received remuneration and other benefits in excess of \$100,000 from the subsidiary companies of the Group during the year ended 31 March 2021.

### Donations

No member of the Group made any significant donations during the financial year.

### Indemnity and Insurance

In accordance with section 162 of the *Companies Act 1993* and the constitution of the Company, the Company has given indemnities to the directors and executives of the Company and its related companies which, except for some specific matters that are expressly excluded, indemnify and insure directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties. Specifically excluded are certain matters, such as the incurring of penalties and fines, which may be imposed for breaches of law.

# DIRECTORS' REPORT

## Auditor

The Company's Auditor, RSM Australia Partners, will continue in office in accordance with the Companies Act 1993. The directors are satisfied that the provision of non-audit services, during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Companies Act 1993. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 8 of the financial statements.

## Directors' Responsibility Statement

The directors of CropLogic Limited are pleased to present to shareholders the financial statements and director's report for CropLogic Limited and its controlled entities for the financial year ended 31 March 2021.

The directors are responsible for presenting the financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2021 and the results of their operations and cash flows for the year ended on that date.

The directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statement with the Companies Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

On behalf of the directors



**Peter Gray**  
Non-executive Director

**Date:** 16 December 2021

**Place:** Perth, Western Australia

# CropLogic Limited

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

|                                                                 |      | Year ended       |                     |
|-----------------------------------------------------------------|------|------------------|---------------------|
|                                                                 | Note | 31-Mar-21        | 31-Mar-20           |
|                                                                 |      | \$               | \$                  |
| Revenue                                                         | 4    | 2,086            | 2,076,799           |
| <b>Total Revenue</b>                                            |      | <b>2,086</b>     | <b>2,076,799</b>    |
| Operational expenses                                            |      | (132,499)        | (5,672,561)         |
| General & administrative expenses                               |      | (198,183)        | (2,783,331)         |
| Depreciation & amortisation                                     | 8    | -                | (1,219,061)         |
| Other income                                                    | 5    | 2,199,451        | 4,085               |
| Other gains/(losses)                                            | 6    | 5,670            | (616,501)           |
| Finance costs                                                   | 7    | (39)             | (1,093,705)         |
| Impairment                                                      | 8    | -                | (7,739,011)         |
| <b>Profit/(Loss) before tax</b>                                 |      | <b>1,876,486</b> | <b>(17,043,286)</b> |
| Taxation expense                                                | 9    | -                | -                   |
| <b>Profit/(Loss) for the year</b>                               |      | <b>1,876,486</b> | <b>(17,043,286)</b> |
| <b>Items that may be reclassified to profit or loss</b>         |      |                  |                     |
| Foreign exchange translation differences for foreign operations |      | 45,213           | (2,100,016)         |
| <b>Other comprehensive income/(loss) for the year</b>           |      | <b>45,213</b>    | <b>(2,100,016)</b>  |
| <b>Total comprehensive income/(loss) for the year</b>           |      | <b>1,921,699</b> | <b>(19,143,302)</b> |
| From continuing operations                                      |      |                  |                     |
| - Basic (cents per share)                                       | 10   | 0.24             | (4.33)              |
| - Diluted (cents per share)                                     | 10   | 0.24             | (4.33)              |

**CropLogic Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 March 2021**

|                                      |             | <b>Year ended</b> |                    |
|--------------------------------------|-------------|-------------------|--------------------|
|                                      | <b>Note</b> | <b>31-Mar-21</b>  | <b>31-Mar-20</b>   |
|                                      |             | <b>\$</b>         | <b>\$</b>          |
| <b>Equity</b>                        |             |                   |                    |
| Share capital                        | 17          | 28,011,844        | 21,554,462         |
| Accumulated losses                   |             | (28,171,226)      | (30,047,712)       |
| Reserves                             | 18          | 3,571             | (41,642)           |
| <b>Total Deficiency In Equity</b>    |             | <b>(155,811)</b>  | <b>(8,534,892)</b> |
| <b>Represented by:</b>               |             |                   |                    |
| <b>Current assets</b>                |             |                   |                    |
| Cash & cash equivalents              | 26          | 19,810            | 182,849            |
| Trade & other receivables            | 16          | 5,629             | -                  |
| Biological Assets                    | 14          | -                 | 1,300,000          |
| <b>Total Current Assets</b>          |             | <b>25,439</b>     | <b>1,482,849</b>   |
| <b>Current liabilities</b>           |             |                   |                    |
| Trade & other payables               | 22          | -                 | 849,774            |
| Current borrowings                   | 19          | -                 | 7,221,577          |
| Other current liabilities            | 21          | 55,000            | 25,000             |
| Income tax payable                   | 9           | -                 | 255,895            |
| Lease liabilities                    | 12          | -                 | 820,761            |
| <b>Total Current Liabilities</b>     |             | <b>55,000</b>     | <b>9,173,007</b>   |
| <b>Working Capital</b>               |             | <b>(29,561)</b>   | <b>(7,690,158)</b> |
| <b>Non Current Liabilities</b>       |             |                   |                    |
| Borrowings                           | 19          | 126,250           | -                  |
| Lease liabilities                    | 12          | -                 | 844,734            |
| <b>Total Non Current Liabilities</b> |             | <b>126,250</b>    | <b>844,734</b>     |
| <b>Net Liabilities</b>               |             | <b>(155,811)</b>  | <b>(8,534,892)</b> |

**CropLogic Limited**  
**Consolidated Statement of Changes in Equity**  
As at 31 March 2021

|                                                       | Note | Issued capital    | Accumulated losses  | Share based payment reserve | Foreign currency translation reserve | Total equity       |
|-------------------------------------------------------|------|-------------------|---------------------|-----------------------------|--------------------------------------|--------------------|
|                                                       |      | \$                | \$                  | \$                          | \$                                   | \$                 |
| <b>Balance at 1 April 2019</b>                        |      | <b>16,763,787</b> | <b>(13,004,426)</b> | <b>151,508</b>              | <b>469,498</b>                       | <b>4,380,367</b>   |
| Loss for the period                                   |      | -                 | (17,043,286)        | -                           | -                                    | (17,043,286)       |
| Other comprehensive loss for the period               |      | -                 | -                   | -                           | (2,100,016)                          | (2,100,016)        |
| Total comprehensive loss                              |      | -                 | (17,043,286)        | -                           | (2,100,016)                          | (19,143,302)       |
| Transactions with owners in their capacity as owners: |      |                   |                     |                             |                                      |                    |
| Contributions of equity (net of transaction costs)    | 17   | 4,790,675         | -                   | -                           | -                                    | 4,790,675          |
| Performance rights                                    |      | -                 | -                   | 182,694                     | -                                    | 182,694            |
| Share based payments                                  |      | -                 | -                   | 1,254,674                   | -                                    | 1,254,674          |
|                                                       |      | 4,790,675         | -                   | 1,437,368                   | -                                    | 6,228,043          |
| <b>Balance at 31 March 2020</b>                       |      | <b>21,554,462</b> | <b>(30,047,712)</b> | <b>1,588,876</b>            | <b>(1,630,518)</b>                   | <b>(8,534,892)</b> |
| <b>Balance at 1 April 2020</b>                        |      | <b>21,554,462</b> | <b>(30,047,712)</b> | <b>1,588,876</b>            | <b>(1,630,518)</b>                   | <b>(8,534,892)</b> |
| Profit for the period                                 |      | -                 | 1,876,486           | -                           | -                                    | 1,876,486          |
| Other comprehensive income for the period             |      | -                 | -                   | -                           | 45,213                               | 45,213             |
| Total comprehensive income                            |      | -                 | 1,876,486           | -                           | 45,213                               | 1,921,699          |
| Transactions with owners in their capacity as owners: |      |                   |                     |                             |                                      |                    |
| Contributions of equity (net of transaction costs)    | 17   | 6,457,382         | -                   | -                           | -                                    | 6,457,382          |
|                                                       |      | 6,457,382         | -                   | -                           | -                                    | 6,457,382          |
| <b>Balance at 31 March 2021</b>                       |      | <b>28,011,844</b> | <b>(28,171,226)</b> | <b>1,588,876</b>            | <b>(1,585,305)</b>                   | <b>(155,811)</b>   |

**CropLogic Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2021**

|                                                                                    |             | <b>Year ended</b> |                     |
|------------------------------------------------------------------------------------|-------------|-------------------|---------------------|
|                                                                                    | <b>Note</b> | <b>31-Mar-21</b>  | <b>31-Mar-20</b>    |
|                                                                                    |             | <b>\$</b>         | <b>\$</b>           |
| <b>Cash Flows from Operating Activities</b>                                        |             |                   |                     |
| Cash receipts from customers                                                       |             | 2,281             | 2,064,149           |
| Cash paid to suppliers and employees                                               |             | (282,388)         | (12,976,919)        |
| Interest Income                                                                    |             | -                 | 4,085               |
| Other Income                                                                       |             | 78,432            | -                   |
| Interest paid                                                                      |             | (39)              | (101,675)           |
| <b>Net Cash Flows used in Operating Activities</b>                                 | <b>11</b>   | <b>(201,714)</b>  | <b>(11,010,360)</b> |
| <b>Cash Flows from Investing Activities</b>                                        |             |                   |                     |
| Payments for property, plant and equipment and intangibles                         |             | -                 | (358,390)           |
| Proceeds from sale of equipment and software license                               |             | -                 | 396,229             |
| <b>Net Cash Flows used in Investing Activities</b>                                 |             | <b>-</b>          | <b>37,839</b>       |
| <b>Cash Flows from Financing Activities</b>                                        |             |                   |                     |
| Proceeds from issue of shares, net of costs                                        |             | -                 | 4,701,716           |
| Proceeds from issue of convertible notes, net of costs                             |             | -                 | 6,107,381           |
| Repayment of lease liability                                                       |             | -                 | (632,825)           |
| Proceeds from borrowings                                                           |             | 88,133            | 607,334             |
| Repayment of borrowings                                                            |             | (19,537)          | -                   |
| <b>Net Cash Flows from Financing Activities</b>                                    |             | <b>68,596</b>     | <b>10,783,606</b>   |
| Net increase/(decrease) in cash and cash equivalents                               |             | (133,118)         | (188,915)           |
| Effects of exchange rate changes on the balance of cash held in foreign currencies |             | (29,921)          | (102,930)           |
| Cash at the beginning of the year                                                  |             | 182,849           | 474,694             |
| <b>Cash at the End of the Year</b>                                                 | <b>26</b>   | <b>19,810</b>     | <b>182,849</b>      |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 1 General Information

These 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 DLA Piper New Zealand, Chartered Accountants House, Level 4, 20 Customhouse Quay, Wellington 6011, New Zealand.

### 2 Statement of Accounting Policies

#### Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). For the purposes of complying with NZ GAAP, the Group is a for-profit entity. These financial statements comply with New Zealand International Financial Reporting Standards (NZ IFRSs) and other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS.

The consolidated financial statements have been prepared using the historical cost convention unless otherwise stated below or in the notes.

The consolidated financial statements are presented in Australian Dollars (\$) (the 'presentation currency').

This report should be read in conjunction with any public announcements made by CropLogic during and subsequent to the reporting period.

#### Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business following the effectuation of the Deed of Company Arrangement (DOCA).

The Group incurred a profit for the year of \$1,876,486 and a net operating cash out-flow of \$201,714. As at 31 March 2021, the Group had net current liabilities of \$29,561 and net liabilities \$155,811.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds from capital raisings and manage its contractual and discretionary cash outflows in line with available funds to enable the Group to meet both its current and future obligations as disclosed in the financial report.

The directors are satisfied that the going concern basis of preparation of the financial report is appropriate, on the basis of:

- Effectuation of the DOCA and potential subsequent capital raisings post effectuation;
- Completed settlement agreement with Atlas in relation various loan facilities;
- Potential recapitalisation of the Company and re-admission to the ASX; and
- Successful capital raising as part of Chapter 1 and 2 recompliance IPO of the Company on the ASX.

The ability of the Group to raise sufficient funds from the issue of capital, represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Should the Group be unable to continue as a going concern it may be required to extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial report of the Group does not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts and liabilities as and when they fall due.

#### 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 year.

- NZ IFRS 3 Definition of a Business
- IAS 1 and IAS 8 Definition of Material

#### Impact of new and revised NZ IFRSs

The XRB have issued a number of Standards, amendments and interpretations which are not yet effective. These new and revised NZ IFRSs are not expected to have a material impact on the Group in future reporting periods.

#### NZ IFRS 3 Definition of a Business

In December 2018, the New Zealand Accounting Standards Board (NZASB) issued amendments to the definition of a business in NZ IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. Amendments are effective for reporting periods beginning on or after 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group was not affected by these amendments on the date of transition.

#### IAS 1 and IAS 8 Definition of Material

In December 2018, the NZASB issued amendments to NZ IAS 1 Presentation of Financial Statements and NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the Standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' Amendments are effective for reporting periods beginning on or after 1 January 2020. The amendments to the definition of material did not have a significant impact on the Group's consolidated financial statements.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### **New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting**

In May 2018, the NZASB issued the New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting (2018 NZ Conceptual Framework) that describes the objective of, and the concepts for, general purpose financial reporting. The 2018 NZ Conceptual Framework is not a Standard. Nothing in the 2018 NZ Conceptual Framework overrides any Standard or any requirement in a Standard. The 2018 NZ Conceptual Framework is effective for reporting periods beginning on or after 1 January 2020. It did not have an impact on the Group's consolidated financial statements.

### **Key sources of estimation uncertainty**

As at 31 March 2021, there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Critical judgements in applying accounting policies**

As at 31 March 2021, there was no critical judgements, that management have made in the process of applying the Group's accounting policies.

### **Presentation currency**

The functional currency of the Group is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Group's presentation currency.

### **Significant Changes in the Current Reporting Period**

On 22 July 2020, CropLogic Limited was placed in Voluntary Administration with the appointment of Craig William Melhuish and Christine Jane Johnston of Nexia New Zealand as joint and several voluntary administrators. Further, a liquidator was appointed to CropLogic Australia Pty Ltd.

In order to improve the financial position of the Company, the following initiatives were put in place:

- Atlas Capital Markets (Atlas) agreed to convert US\$4,032,073 of convertible notes to equity in CropLogic at a conversion price of \$0.02
- Outstanding loans of \$350,000 were converted to equity at a price of \$0.02

On 30 March 2021, a Deed of Company Arrangement was performed, the Deed automatically terminated and control of the company was passed back to the Directors. The Directors are focused on bringing the reporting obligations of the Company up to date following the Voluntary Administration.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 3 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 segments. These segments are organised in geographical locations.

The segments of the Group are composed of the following:

- New Zealand
- United States
- Australia

#### Financial Information

The Group's chief operating decision makers primarily use a measure of adjusted earnings before tax, to assess the performance of the operating segments. However, the decision makers also receive information about the segments' revenue and assets on a monthly basis. The revenue represents revenue generated from both internal and external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in the policy notes. Where costs are incurred on behalf of another segment, these costs are subsequently recognised in the segment to which they relate. Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties is measured in the same way as in the Statement of Profit or Loss.

#### Segment revenue and profit (loss)

|                                                     | Revenue<br>Year ended |                  | Segment profit<br>Year ended |                     |
|-----------------------------------------------------|-----------------------|------------------|------------------------------|---------------------|
|                                                     | 31 March 2021         | 31 March 2020    | 31 March 2021                | 31 March 2020       |
|                                                     | \$                    | \$               | \$                           | \$                  |
| Australia                                           | -                     | 47,263           | (56,160)                     | (1,568,509)         |
| New Zealand                                         | -                     | 1,349            | 2,001,053                    | (5,307,695)         |
| United States                                       | 2,086                 | 2,102,407        | (68,407)                     | (11,926,172)        |
| Loss before tax and eliminations                    | 2,086                 | 2,151,019        | 1,876,486                    | (18,802,376)        |
| Intersegment Eliminations                           | -                     | (74,220)         | -                            | 1,759,090           |
| Income tax expenses                                 | -                     | -                | -                            | -                   |
| <b>Consolidated revenue and result for the year</b> | <b>2,086</b>          | <b>2,076,799</b> | <b>1,876,486</b>             | <b>(17,043,286)</b> |

The following is an analysis of the Group's revenue from its major products and services.

|                            | Year ended    |                  |
|----------------------------|---------------|------------------|
|                            | 31 March 2021 | 31 March 2020    |
|                            | \$            | \$               |
| CropLogic Aerial Imagery   | -             | 111,369          |
| Hydroprobe                 | -             | 1,304,036        |
| CropLogic RealTime         | -             | 685,329          |
| Telemetry                  | -             | 41,826           |
| Other miscellaneous income | 2,086         | 8,459            |
| Intersegment Eliminations  | -             | (74,220)         |
|                            | <b>2,086</b>  | <b>2,076,799</b> |

The Group does not have any significant customers from which a substantial portion of revenue is derived.

#### Revenue from external customers

|               | Year ended    |                  |
|---------------|---------------|------------------|
|               | 31 March 2021 | 31 March 2020    |
| Australia     | -             | 47,263           |
| New Zealand   | -             | 1,349            |
| United States | 2,086         | 2,028,187        |
|               | <b>2,086</b>  | <b>2,076,799</b> |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 3 Segment Information (continued)

#### Segment assets and liabilities

For the purpose of monitoring segment performance and allocating resources between segments all assets and liabilities are allocated to reportable segments. The following is an analysis of the Group's assets and liabilities by reportable operating segment:

|                                                                        | 31 March 2021  | 31 March 2020     |
|------------------------------------------------------------------------|----------------|-------------------|
|                                                                        | \$             | \$                |
| <b>Assets</b>                                                          |                |                   |
| Australia                                                              | 21,210         | 54,798            |
| New Zealand                                                            | 177,421        | 12,251,273        |
| United States                                                          | -              | 1,428,051         |
| Intersegment Eliminations                                              | (173,192)      | (12,251,273)      |
| <b>Consolidated assets as per Statement of Financial Position</b>      | <b>25,439</b>  | <b>1,482,849</b>  |
|                                                                        |                |                   |
|                                                                        | 31 March 2021  | 31 March 2020     |
|                                                                        | \$             | \$                |
| <b>Liabilities</b>                                                     |                |                   |
| Australia                                                              | 90,462         | 1,456,624         |
| New Zealand                                                            | 181,250        | 8,352,245         |
| United States                                                          | 64,754         | 13,806,708        |
| Intersegment Eliminations                                              | (155,216)      | (13,597,836)      |
| <b>Consolidated liabilities as per Statement of Financial Position</b> | <b>181,250</b> | <b>10,017,741</b> |

### 4 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 service is provided (performance obligation in the contract is completed).

#### Hydropobe

Revenue from the rendering of Hydropobe services is recognised when the service is provided.

#### CropLogic RealTime

Revenue from the rendering of CropLogic RealTime services is recognised when the service is provided.

#### Sale of goods

Sales of CropLogic RealTime units are recognised as revenue when the products pass from the physical control of the Group 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 Group.

#### CropLogic Aerial Imagery

Revenue from the rendering of CropLogic Aerial Imagery services is recognised when the service is provided.

|                                                                            | Year ended    |                  |
|----------------------------------------------------------------------------|---------------|------------------|
|                                                                            | 31 March 2021 | 31 March 2020    |
|                                                                            | \$            | \$               |
| <b>Revenue from contracts with customers recognised at a point in time</b> |               |                  |
| Sale of services                                                           | 2,086         | 2,054,224        |
| Sale of goods                                                              | -             | 22,575           |
|                                                                            | <b>2,086</b>  | <b>2,076,799</b> |

### 5 Other Income

|                                                                   | Year ended       |               |
|-------------------------------------------------------------------|------------------|---------------|
|                                                                   | 31 March 2021    | 31 March 2020 |
|                                                                   | \$               | \$            |
| Interest on Cash and short term deposits                          | 165              | 4,085         |
| Other revenue                                                     | 78,464           | -             |
| Lease liability reversal                                          | 365,495          | -             |
| Reversal of liabilities extinguished as part effectuation of DOCA | 1,755,327        | -             |
| <b>Total investment income</b>                                    | <b>2,199,451</b> | <b>4,085</b>  |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 6 Other gains and losses

|                                               | 31 March 2021 | Year ended<br>31 March 2020 |
|-----------------------------------------------|---------------|-----------------------------|
|                                               | \$            | \$                          |
| Disposal of Non-current Assets gains/(losses) | -             | (1,043,162)                 |
| Foreign exchange gains/(losses)               | 5,670         | 426,661                     |
| <b>Total gains/(losses)</b>                   | <b>5,670</b>  | <b>(616,501)</b>            |

### 7 Finance Costs

|                                                                                    | 31 March 2021 | Year ended<br>31 March 2020 |
|------------------------------------------------------------------------------------|---------------|-----------------------------|
|                                                                                    | \$            | \$                          |
| Interest on bank loans and overdrafts                                              | 39            | 211                         |
| Interest on third party loans                                                      | -             | 129,338                     |
| Interest on ROU Lease Liability                                                    | -             | 106,543                     |
| Costs associated with the Issue of Convertible notes                               | -             | 857,613                     |
| <b>Total interest expense for financial liabilities not classified as at FVTPL</b> | <b>39</b>     | <b>1,093,705</b>            |

Finance costs relating to financial liabilities classified as at fair value through profit or loss are included in 'other gains and losses' in the note above.

### 8 Profit/(loss) for the year

#### Sales tax

Revenue, expenses, assets and liabilities are recognised net of the amount of any sales tax except:

- where the amount of sales tax incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of sales tax (the net amount of sales tax recoverable from or payable to the taxation authority is included as part of receivables or payables).

Sales tax includes New Zealand Goods and Services Tax (GST), Australian Goods and Services tax (GST) and US sales taxes (where applicable).

#### Overhead Allocation

The presentation of the Profit and Loss by function requires certain overhead costs to be allocated to the function. These allocations require management to apply judgement. Some general and administration costs not relating to capitalised development assets have been allocated to functions based on employee activity.

Loss for the year has been arrived at after charging:

|                                                         | 31 March 2021 | Year ended<br>31 March 2020 |
|---------------------------------------------------------|---------------|-----------------------------|
|                                                         | \$            | \$                          |
| <b>Depreciation &amp; amortisation</b>                  |               |                             |
| Amortisation of intangible assets                       | -             | 90,685                      |
| Depreciation of property, plant and equipment           | -             | 460,170                     |
| Depreciation of right of use assets                     | -             | 668,206                     |
| <b>Total depreciation and amortisation expense</b>      | <b>-</b>      | <b>1,219,061</b>            |
| <b>Employee benefits expense</b>                        |               |                             |
| Employee entitlements                                   | 43,267        | 2,654,695                   |
| Defined contribution plans                              | -             | 110,413                     |
| Share-based payments - ordinary shares (see note 27)    | -             | 361,019                     |
| Share-based payments - performance rights (see note 27) | -             | 182,694                     |
| Other employee benefits                                 | -             | 326,297                     |
| <b>Total employee benefits expense</b>                  | <b>43,267</b> | <b>3,635,118</b>            |
| <b>Impairment of Assets</b>                             |               |                             |
| Property, Plant and Equipment                           | -             | 842,881                     |
| Right-of-use assets                                     | -             | 1,276,463                   |
| Goodwill                                                | -             | 2,220,490                   |
| Other intangibles                                       | -             | 935,942                     |
| Biological assets                                       | -             | 2,291,171                   |
| Inventory                                               | -             | 81,366                      |
| Trade and Other receivables                             | -             | 68,912                      |
| Other assets                                            | -             | 21,786                      |
| <b>Total Impairment</b>                                 | <b>-</b>      | <b>7,739,011</b>            |
| <b>Fees paid to auditors</b>                            |               |                             |
| Audit of the financial statements                       | 45,000        | 25,000                      |
| Review of the financial statements                      | 10,000        | 30,000                      |
| <b>Total fees paid to auditors</b>                      | <b>55,000</b> | <b>55,000</b>               |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 9 Income Tax

#### Current tax for the year

Tax expense comprises current and deferred tax. Income tax is recognised in the Income Statement except when it relates to items recognised directly in other comprehensive income (in which case the income tax is recognised in other comprehensive income). Income tax is based on tax rates and regulation enacted in the jurisdictions in which the entities operate.

#### Deferred Tax

Deferred income tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or subsequently enacted by the balance date and are expected to apply when the related deferred income tax asset or liability is realised or settled. An exception is made for certain timing differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Income tax recognised in profit & loss:

#### Current Tax

Expense (benefit) arising from previously unrecognised tax losses, tax credits or temporary differences of a prior

#### Deferred Tax

Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period

Total income tax expense (benefit) recognised in the current year

|                                                                   | Year ended    |               |
|-------------------------------------------------------------------|---------------|---------------|
|                                                                   | 31 March 2021 | 31 March 2020 |
|                                                                   | \$            | \$            |
| Current Tax                                                       | -             | -             |
| Deferred Tax                                                      | -             | -             |
| Total income tax expense (benefit) recognised in the current year | -             | -             |

The income tax expense for the year can be reconciled to the accounting profit as follows:

|                                                                          | Year ended    |               |
|--------------------------------------------------------------------------|---------------|---------------|
|                                                                          | 31 March 2021 | 31 March 2020 |
|                                                                          | \$            | \$            |
| Loss before tax                                                          | 1,876,486     | (17,043,286)  |
| Less: permanent differences                                              | (2,120,822)   | -             |
| Income tax expense calculated at 26% (2020: 27.5%)                       | (63,527)      | (4,686,904)   |
| Effect of expenses that are not deductible in determining taxable profit | -             | 2,128,228     |
| Effect of unused tax losses not recognised as deferred tax assets        | 63,527        | 2,558,676     |
| Income tax expense (benefit) recognised in profit or loss                | -             | -             |

The tax rate used above is 26% (2020: 27.5%) which is the corporate tax rate payable by corporate entities in Australia on taxable profits as determined by the Directors under tax law in that jurisdiction.

#### Current tax assets and liabilities

#### Current tax assets

Tax refund receivable

#### Current tax liability

Reversal of R&D rebate (Including Foreign exchange variance and Interest)

|                                                                           | Year ended    |               |
|---------------------------------------------------------------------------|---------------|---------------|
|                                                                           | 31 March 2021 | 31 March 2020 |
|                                                                           | \$            | \$            |
| Current tax assets                                                        | -             | -             |
| Current tax liability                                                     | -             | 255,895       |
| Reversal of R&D rebate (Including Foreign exchange variance and Interest) | -             | 255,895       |

The analysis of deferred tax assets and liabilities at 26% (2020: 27.5%) are below:

|                                                   | Year ended    |               |
|---------------------------------------------------|---------------|---------------|
|                                                   | 31 March 2021 | 31 March 2020 |
|                                                   | \$            | \$            |
| Tax losses and other temporary timing differences | 3,498,715     | 3,435,188     |
| Deferred tax assets not recognised                | (3,498,715)   | (3,435,188)   |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 9 Income Tax (continued)

The Group has estimated tax losses carried forward of \$13.0 million (2020: \$14.9 million) subject to jurisdiction limitations and meeting certain loss recoupment rules. The Group has no deferred research and development deductions (2019: \$nil). Deferred tax assets, mainly represented by tax losses have not been recognised as there is significant uncertainty whether the Group will meet the requirements to utilise these tax losses in future or generate taxable profits.

The availability and future utilisation of carry forward tax losses are subject to the satisfaction of the loss recoupment tests. Tax losses should not be assumed to be available without detailed testing being undertaken prior to any recoupment

As a result of the change in tax residency, the Group has quarantined tax losses of \$1,859,305 in the New Zealand tax jurisdiction. These will be available at such time that revenue is generated in New Zealand.

#### Imputation credits

New Zealand Imputation credits available for use

| 31 March 2021 | 31 March 2020 |
|---------------|---------------|
| \$            | \$            |
| -             | -             |

### 10 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the net loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares on issue during the year, excluding shares purchased and held as treasury shares (if any).

Diluted EPS is determined by adjusting the net loss attributable to ordinary shareholders and the weighted average number of ordinary shares on issue for the effects of all dilutive potential ordinary shares, which comprise treasury shares and options granted to employees and Directors. Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

|                            | 31 March 2021   | Year ended | 31 March 2020   |
|----------------------------|-----------------|------------|-----------------|
|                            | Cents per share |            | Cents per share |
| Basic earnings per share   | 0.24            |            | (4.33)          |
| Diluted earnings per share | 0.24            |            | (4.33)          |

#### Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

|                                                                                         | 31 March 2021 | Year ended | 31 March 2020 |
|-----------------------------------------------------------------------------------------|---------------|------------|---------------|
|                                                                                         | \$            |            | \$            |
| Profit / (Loss) for the year attributable to members of the parent entity               | 1,876,486     |            | (17,043,286)  |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 791,927,064   |            | 393,784,518   |

**CropLogic Limited**  
**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2021

**11 Reconciliation of Cash Flows from Operations**

|                                                            | Year ended       |                     |
|------------------------------------------------------------|------------------|---------------------|
|                                                            | 31 March 2021    | 31 March 2020       |
|                                                            | \$               | \$                  |
| Profit/ (Loss) for the period                              | 1,876,486        | (17,043,286)        |
| <b>(Less)/plus non cash items</b>                          |                  |                     |
| Depreciation & amortisation                                | -                | 1,219,061           |
| Loss on disposal of assets                                 | -                | 1,043,162           |
| Financial instruments at FVTPL                             | -                | (421,748)           |
| Net foreign exchange (gains)/losses                        | 29,921           | -                   |
| Impairment                                                 | -                | 5,447,840           |
| Finance costs                                              | -                | 992,030             |
| Reversal of liabilities to revenue                         | (661,328)        | 683,714             |
| <b>(Less)/plus changes in working capital</b>              |                  |                     |
| Decrease/(increase) in trade & other receivables           | (5,629)          | 56,262              |
| (Decrease)/increase in biological assets                   | 1,300,000        | (3,591,171)         |
| (Decrease)/increase in income tax payable                  | -                | 1,432               |
| Decrease/(increase) in other current assets                | -                | 777,682             |
| (Decrease)/increase in trade & other payables              | (1,075,669)      | 63,415              |
| (Decrease)/increase in other current liabilities           | (1,665,495)      | (111,923)           |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>(201,714)</b> | <b>(11,010,360)</b> |

Reconciliation of liabilities arising from financing activities

|                              | 2020             | Cash flows    | Non-cash changes    |                  | 2021           |
|------------------------------|------------------|---------------|---------------------|------------------|----------------|
|                              |                  |               | Converted to Equity | Other            |                |
| Related party borrowings (i) | 607,334          | 68,000        | (350,000)           | (199,084)        | 126,250        |
| Long term borrowings (ii)    | 506,862          | (19,865)      | -                   | (486,997)        | -              |
| Convertible notes (iii)      | 6,107,381        | -             | (6,107,381)         | -                | -              |
|                              | <b>7,221,577</b> | <b>48,135</b> | <b>(6,457,381)</b>  | <b>(686,081)</b> | <b>126,250</b> |

(i) Related party borrowings owing to Directors and other related parties.

(ii) Other movements in long term borrowings are capitalised interest and a short term loan.

(iii) USD\$4.25 million (approx. AUD\$6.1 million) by way of a debt instrument with Atlas Capital Markets converted to shares during the year.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 12 Lease Assets and Liabilities

#### Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

|                                                                                                                | Year ended    |               |
|----------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                | 31 March 2021 | 31 March 2020 |
|                                                                                                                | \$            | \$            |
| <b>i) NZ IFRS 116 related amounts recognised in the statement of financial position</b>                        |               |               |
| <b>Right-of-use assets:</b>                                                                                    |               |               |
| Leased buildings                                                                                               | -             | 1,944,669     |
| Accumulated depreciation                                                                                       | -             | (668,206)     |
| Impairment                                                                                                     | -             | (1,276,463)   |
| <b>Total right-of-use asset</b>                                                                                | <b>-</b>      | <b>-</b>      |
| <b>Movement in carrying amounts:</b>                                                                           |               |               |
| <b>Leased buildings:</b>                                                                                       |               |               |
| Recognised on initial application of NZ IFRS 116 (previously classified as operating leases under NZ IFRS 117) | -             | 672,712       |
| Opening balance                                                                                                | -             | 672,712       |
| Addition to right-of-use asset                                                                                 | -             | 1,271,957     |
| Depreciation expense                                                                                           | -             | (668,206)     |
| Impairment expense                                                                                             | -             | (1,276,463)   |
| <b>Net carrying amount</b>                                                                                     | <b>-</b>      | <b>-</b>      |
| <b>ii) NZ IFRS 116 related amounts recognised in the statement of profit or loss</b>                           |               |               |
| Depreciation charge related to right-of-use assets                                                             | -             | 668,206       |
| Interest expense on lease liabilities                                                                          | -             | 106,543       |

#### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

|                              | Year ended    |                  |
|------------------------------|---------------|------------------|
|                              | 31 March 2021 | 31 March 2020    |
|                              | \$            | \$               |
| Current lease liability      | -             | 820,761          |
| Non-current lease liability  | -             | 844,734          |
| <b>Total lease liability</b> | <b>-</b>      | <b>1,665,495</b> |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 13 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

|                                                                              | Year ended    |               |
|------------------------------------------------------------------------------|---------------|---------------|
|                                                                              | 31 March 2021 | 31 March 2020 |
| Cost                                                                         | \$            | \$            |
| Balance at the beginning of the year                                         | 2,220,490     | 2,128,802     |
| De-recognition on winding up of business                                     | (2,220,490)   | -             |
| Adjustments resulting from the subsequent recognition of deferred tax assets | -             | -             |
| Effects of foreign currency exchange differences                             | -             | 91,688        |
| Balance at the end of the period                                             | -             | 2,220,490     |
|                                                                              |               |               |
|                                                                              | Year ended    |               |
|                                                                              | 31 March 2021 | 31 March 2020 |
| Accumulated impairment losses                                                | \$            | \$            |
| Balance at beginning of the year                                             | (2,220,490)   | -             |
| Impairment losses recognised in the year                                     | -             | (2,220,490)   |
| De-recognition on winding up of business                                     | 2,220,490     | -             |
| Balance at the end of the year                                               | -             | (2,220,490)   |
|                                                                              |               |               |
| Net book value                                                               |               |               |
| At the beginning of the year                                                 | -             | 2,128,802     |
| At the end of the year                                                       | -             | -             |

#### Goodwill as at 31 March 2020

The goodwill associated with ProAg CropLogic LLC arose when the Group acquired the business of Professional Ag. Services Inc. in April 2017.

The Group 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 AgServices, Inc., a Washington corporation], (ProAg Vendors).

As such, the Goodwill recorded in relation to ProAg CropLogic LLC was written-down to nil.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 14 Biological Assets

|                                      | 31 March 2021 | Year ended<br>31 March 2020 |
|--------------------------------------|---------------|-----------------------------|
|                                      | \$            | \$                          |
| Balance at the beginning of the year | 1,300,000     | -                           |
| Additions during the year            | -             | 3,591,171                   |
| Disposals during the year            | (1,300,000)   | -                           |
| Impairment                           | -             | (2,291,171)                 |
|                                      | <u>-</u>      | <u>1,300,000</u>            |

Biological assets, in the form of planted hemp crops, are accounted for under NZ IAS 41 agriculture, which requires that the assets be measured at fair value less costs to sell.

As announced on 14th February 2020, the hemp market and prices are volatile and therefore subject to change however the Company had attributed a value on the 2019 hemp crop at that time in the range of AU\$580,000 (low estimate) to AU\$2,090,000 (high estimate) with a mid-point of AU\$1,300,000, with the Company adopting the mid-point of AU\$1,300,000 for accounting purposes.

As announced on 14 February 2020 NW Ag Solutions LLC ('Nwas'), a provider of agricultural services to LogicalCropping had placed a lien over the hemp crop, and Bradley V. Shephard and Stanley V Shephard (Shephard Bros), a landlord to LogicalCropping had advised of their potential intention to place a lien over the hemp crop. As announced at the time, the Company disputed elements of NW Ag Solutions LLC claim. The Bradley V. Shephard and Stanley V. Shephard leases are for approximately 2 further years.

During the year, the Company agreed a settlement where Nwas and the Shephard Bros each received 50% of the entire 2019 hemp crop including the trimmed flower. Thus Nwas and Shephard Bros each received the equivalent of AU\$650,000 in the agreed settlement, and the liens were effectively removed.

### 15 Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Inter-company transactions and balances between Group companies are eliminated on consolidation.

The financial statements in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The assets and liabilities of these entities are translated at rates approximating the exchange rates existing at balance date. Revenue and expenses are translated at rates approximating the exchange rates ruling at the dates of transactions. The exchange gains or losses arising on translation are recorded in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

| Name of subsidiary          | Principal activity            | Functional Currency | Place of incorporation & operation | Proportion of ownership interest and voting power held by the Group |               |
|-----------------------------|-------------------------------|---------------------|------------------------------------|---------------------------------------------------------------------|---------------|
|                             |                               |                     |                                    | 31 March 2021                                                       | 31 March 2020 |
| CropLogic Limited           | Parent                        | AUD                 | New Zealand                        | 100%                                                                | 100%          |
| Indigo Systems Limited      | Telemetry                     | NZD                 | New Zealand                        | 100%                                                                | 100%          |
| CropLogic USA LLC           | Holding company               | USD                 | United States                      | 0%                                                                  | 100%          |
| ProAg CropLogic LLC         | Agronomy services             | USD                 | United States                      | 0%                                                                  | 100%          |
| CropLogic Australia PTY LTD | Agtech Services               | AUD                 | Australia                          | 100%                                                                | 100%          |
| Lincoln Agriculture PTY LTD | Holding company               | AUD                 | Australia                          | 0%                                                                  | 100%          |
| CLPA Holding Company        | Holding company               | USD                 | United States                      | 0%                                                                  | 100%          |
| LogicalCropping LLC         | CBD Producing Industrial Hemp | USD                 | United States                      | 0%                                                                  | 100%          |

#### Change in the Group's ownership interest in a subsidiary

No new subsidiaries were incorporated during the year.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 16 Trade & other receivables

Trade receivables  
Allowance for doubtful debts

|               | Year ended |               |
|---------------|------------|---------------|
| 31 March 2021 |            | 31 March 2020 |
| \$            |            | \$            |
| 5,629         |            | -             |
| -             |            | -             |
| <b>5,629</b>  |            | <b>-</b>      |

Age of receivables that are past due but not impaired  
60-90 days

|               | Year ended |               |
|---------------|------------|---------------|
| 31 March 2021 |            | 31 March 2020 |
| \$            |            | \$            |
| 5,629         |            | -             |
| <b>5,629</b>  |            | <b>-</b>      |

In determining the expected credit losses on a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

### 17 Issued Capital

Issued capital comprises  
810,327,498 fully paid ordinary shares (31 March 2020: 416,605,449)

|                   | Year ended |                   |
|-------------------|------------|-------------------|
| 31 March 2021     |            | 31 March 2020     |
| \$                |            | \$                |
| 28,011,844        |            | 21,554,462        |
| <b>28,011,844</b> |            | <b>21,554,462</b> |

#### Fully paid ordinary shares

Balance at 31 March 2019

|                                                                    | Number of shares | Share capital<br>\$ |
|--------------------------------------------------------------------|------------------|---------------------|
| Balance at 31 March 2019                                           | 296,602,740      | 16,763,787          |
| Fully paid ordinary shares issued at \$0.040                       | 76,503,125       | 3,060,125           |
| Fully paid ordinary shares issued at \$0.040 - share based payment | 2,000,000        | 80,000              |
| Fully paid ordinary shares issued at \$0.038 - share based payment | 3,709,250        | 142,064             |
| Fully paid ordinary shares issued at \$0.060                       | 37,040,334       | 2,222,420           |
| Fully paid ordinary shares issued at \$0.080 - share based payment | 750,000          | 60,000              |
| Costs directly attributable to the cost of issuing shares          | -                | (773,934)           |
| Contributions of equity (net of transaction costs)                 | 120,002,709      | 4,790,675           |

#### Balance at 31 March 2020

Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed  
Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed  
Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed  
Fully paid ordinary shares issued at \$0.01623 - convertible note conversion deed  
Fully paid ordinary shares issued at \$0.01623 - convertible note conversion deed  
Contributions of equity (net of transaction costs)

|                                                                                   |                    |                   |
|-----------------------------------------------------------------------------------|--------------------|-------------------|
|                                                                                   | <b>416,605,449</b> | <b>21,554,462</b> |
| Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed | 12,500,000         | 250,000           |
| Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed | 2,500,000          | 50,000            |
| Fully paid ordinary shares issued at \$0.02000 - convertible note conversion deed | 2,500,000          | 50,000            |
| Fully paid ordinary shares issued at \$0.01623 - convertible note conversion deed | 313,731,232        | 5,092,940         |
| Fully paid ordinary shares issued at \$0.01623 - convertible note conversion deed | 62,490,817         | 1,014,442         |
| Contributions of equity (net of transaction costs)                                | 393,722,049        | 6,457,382         |

#### Balance at 31 March 2021

|  |                    |                   |
|--|--------------------|-------------------|
|  | <b>810,327,498</b> | <b>28,011,844</b> |
|--|--------------------|-------------------|

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.

During the 2021 year, the execution of the Atlas Conversion Deed and the Short-Term Loan Conversion Deeds converted USD4,032,073.79 (AUD6,107,382.17) of senior secured debt and AUD350,000 of short-term funding from CropLogic's balance sheet.

Share issue transaction costs during the period of \$0 (2020: \$773,934) have been netted off against the amount recognised in equity.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 18 Reserves

|                                      | Year ended    |                 |
|--------------------------------------|---------------|-----------------|
|                                      | 31 March 2021 | 31 March 2020   |
|                                      | \$            | \$              |
| Foreign currency translation reserve | (1,585,305)   | (1,630,518)     |
| Share-based payment reserve:         |               |                 |
| Performance rights                   | 245,189       | 245,189         |
| Share options                        | 1,343,687     | 1,343,687       |
| Shares granted (not issued)          | -             | -               |
|                                      | <u>3,571</u>  | <u>(41,642)</u> |

The foreign currency translation reserve's movement is solely as a result of exchange differences on translating foreign operations. These exchange differences related to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian Dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

### 19 Borrowings

|                               | Year ended     |                  |
|-------------------------------|----------------|------------------|
|                               | 31 March 2021  | 31 March 2020    |
|                               | \$             | \$               |
| Unsecured - at amortised cost |                |                  |
| Loans from:                   |                |                  |
| related parties (i)           | 126,250        | 6,714,716        |
| other entities (ii)           | -              | 506,861          |
|                               | <u>126,250</u> | <u>7,221,577</u> |
| Current                       | -              | 7,221,577        |
| Non-current                   | 126,250        | -                |
|                               | <u>126,250</u> | <u>7,221,577</u> |

#### Summary of borrowing arrangements

(i) During the year ended 31 March 2020, the Group secured USD\$4.25 million (approximately AUD\$6.1 million) by way of a debt instrument with Atlas Capital Markets, as per the announcement dated 29 May 2019. On 14 February 2020, as part of the CropLogic Review and Restructure, CropLogic entered into a Convertible Note Conversion Deed with Atlas Capital Markets.

The Conversion Deed stated that Atlas would convert a total of \$US4,032,073.79 (\$AU6,107,382), being the agreed amount owing to Atlas, into ordinary shares of the Company (Shares) at a conversion price of 2 cents. The conversion was subject to shareholder approval at a meeting. Atlas would 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.

Furthermore, CropLogic 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 would convert the entire debts owed by the Company totaling AUD350,000 into 17,500,000 Shares at a conversion price of 2 cents. These conversions were subject to shareholder approval at a meeting.

At the General Meeting held on 14 April 2020 the above conversions were approved by the shareholders.

(ii) The Group holds a loan from Callaghan Innovation which was received to fund research and development. The loan accrues interest at 3% per annum and is capitalised to the loan annually where it is unpaid. The loan and any accrued interest is repaid at a rate of 3% of the product's revenue annually until the loan and accrued interest have been repaid in full.

### 20 Contingent Consideration

The Company had no contingent consideration liabilities as at 31 March 2021 (31 March 2020: Nil).

### 21 Other current liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

|                    | Year ended    |               |
|--------------------|---------------|---------------|
|                    | 31 March 2021 | 31 March 2020 |
|                    | \$            | \$            |
| Current provisions |               |               |
| Employee benefits  | -             | -             |
| Other provisions   | 55,000        | 25,000        |
|                    | <u>55,000</u> | <u>25,000</u> |

Other provisions represent the Group's best estimate of costs incurred to date where invoices have not yet been received from suppliers at year-end. The estimate is calculated by reference to future-dated invoices and percentage calculations of works incurred at the date of the financial statements. No discount rate has been applied.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 22 Trade & other payables

|                | Year ended    |               |
|----------------|---------------|---------------|
|                | 31 March 2021 | 31 March 2020 |
|                | \$            | \$            |
| Trade payables | -             | 849,774       |

### 23 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### 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. Trade receivables are generally due for settlement within 60 days.

The Group 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.

#### 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.

#### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 23 Financial instruments (continued)

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The Group does not consider that it holds any equity instruments.

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

##### Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is

- (i) contingent consideration that may be paid by an acquirer as part of a business combination, to which NZ IFRS 3 applies,
- (ii) held for trading, or
- (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described below.

##### Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in note 19 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in note 18).

The Group is not subject to any externally imposed capital requirements.

Management reviews the capital structure of the Group on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

##### Categories of financial instruments

|                              | Year ended    |               |
|------------------------------|---------------|---------------|
|                              | 31 March 2021 | 31 March 2020 |
|                              | \$            | \$            |
| <b>Financial Assets</b>      |               |               |
| Cash and bank balances       | 19,810        | 182,849       |
| Loans and receivables        | 5,629         | -             |
| <b>Financial Liabilities</b> |               |               |
| Amortised cost               | 181,250       | 9,761,846     |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 23 Financial instruments (continued)

#### Financial risk management objectives

The Group has identified the following financial risks being market risk (including currency risk and interest rate risk) and credit risk.

The Group seeks to minimise the effects of market risks by holding cash in currencies where the Group predominately has trading businesses and regularly reviewing the interest rates on deposits to ensure the best return is obtained. Credit risk is minimised by ensuring there are no individual customers contributing to a significant portion of sales revenue. The Group has implemented a robust receivables process and as such the rate of default is very low.

#### Foreign currency risk management

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk currently arising as a result of undertaking commercial transactions involving the New Zealand dollar and United States dollar, and also as a result of holding cash and cash equivalents in New Zealand dollars (NZD) and United States dollars (USD). The Group does not use any derivative financial instruments to manage this foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

|                           | Liabilities   |               | Assets        |               |
|---------------------------|---------------|---------------|---------------|---------------|
|                           | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
|                           | \$            | \$            | \$            | \$            |
| Currency of New Zealand   | -             | 1,912,849     | -             | -             |
| Currency of United States | -             | 4,032,074     | -             | 78,598        |

#### Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of Australia (2020 - currency of New Zealand and the United States).

The following table details the Group's sensitivity to a 10% increase and decrease in the AUD against the relevant foreign currencies. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the AUD strengthens 10% against the relevant currency. For a 10% weakening of the AUD against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative. The group does not hold any monetary assets or liabilities which directly affect equity.

|                | USD Impact    |               | NZD Impact    |               |
|----------------|---------------|---------------|---------------|---------------|
|                | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
|                | \$            | \$            | \$            | \$            |
| Profit or loss | -             | 585,735       | -             | 169,374       |

The Group's sensitivity to foreign currency has decreased during the current year due to the sale of Professional Ag. Services' Inc US-based business.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. US dollar denominated sales are seasonal, with lower sales volumes in the second half of the financial year, resulting in a reduction in US dollar receivables at the end of the reporting period.

#### Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds, which at times utilises both fixed and floating interest rates. The risk is managed by the Group by ensuring most debt is at fixed interest rates and by regularly reviewing the debt to equity mix to ensure the most efficient funding model is maintained.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 23 Financial instruments (continued)

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- profit for the year ended 31 March 2021 would decrease/increase by Nil (2020: decrease/increase by Nil). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings; and
- other comprehensive income for the year ended 31 March 2021 would remain unchanged (2020: no change).

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with approved counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure is regularly monitored.

The carrying amounts shown on the statement of financial position represents the Group's maximum exposure to credit risk.

Trade receivables throughout the year consist of a large number of customers, across different geographical areas. Regular credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have significant credit risk exposure to any single counterparty as there is no single customer which provides a significant portion of revenue.

The credit risk on liquid funds is limited because the Group holds funds only with high-grade banking counterparties.

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with management. The Group manages liquidity risk by monitoring cash forecasts of the Group's liquidity reserve on the basis of expected cash flow. This enables management to determine funding needs and to ensure the Group meets its future operating requirements.

#### Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

|                                 | Weighted average effective interest rate (%) |          | Less than 3 months | 3 months to 1 year |
|---------------------------------|----------------------------------------------|----------|--------------------|--------------------|
| 31 March 2021                   | %                                            |          | \$                 | \$                 |
| Non-interest bearing            | -                                            | -        | -                  | -                  |
| Fixed interest rate instruments | -                                            | -        | -                  | -                  |
|                                 |                                              |          |                    |                    |
|                                 | 1-5 years                                    | 5+ years | Total              | Carrying amount    |
| 31 March 2021                   | \$                                           | \$       | \$                 | \$                 |
| Non-interest bearing            | -                                            | -        | -                  | -                  |
| Fixed interest rate instruments | 126,250                                      | -        | 126,250            | 126,250            |
|                                 | <b>126,250</b>                               | <b>-</b> | <b>126,250</b>     | <b>126,250</b>     |
|                                 |                                              |          |                    |                    |
|                                 | Weighted average effective interest rate     |          | Less than 3 months | 3 months to 1 year |
| 31 March 2020                   | %                                            |          |                    |                    |
| Non-interest bearing            | -                                            | -        | 7,564,490          | -                  |
| Fixed interest rate instruments | 3%                                           | -        | 506,861            | -                  |
|                                 |                                              |          | <b>8,071,351</b>   | <b>-</b>           |
|                                 |                                              |          |                    |                    |
|                                 | 1-5 years                                    | 5+ years | Total              | Carrying amount    |
| 31 March 2020                   | \$                                           | \$       | \$                 | \$                 |
| Non-interest bearing            | -                                            | -        | 7,564,490          | 7,564,490          |
| Fixed interest rate instruments | -                                            | -        | 506,861            | 506,861            |
|                                 | <b>-</b>                                     | <b>-</b> | <b>8,071,351</b>   | <b>8,071,351</b>   |

The amounts included above for non-interest bearing debt include the maximum amounts of contingent consideration. These have been included at maximum as it is highly probable that they will be paid in full given the historical pattern of the financial results on which they are based.

The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of information on financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 23 Financial instruments (continued)

|                                 | Weighted average<br>effective interest rate | Less than 1 month | 1-3 months    | 3 months to 1 year | Total          |
|---------------------------------|---------------------------------------------|-------------------|---------------|--------------------|----------------|
| 31 March 2021                   | %                                           | \$                | \$            | \$                 | \$             |
| Non-interest bearing            | -                                           | 19,810            | -             | -                  | 19,810         |
| Fixed interest rate instruments | -                                           | -                 | -             | -                  | -              |
|                                 |                                             | <b>19,810</b>     | <b>-</b>      | <b>-</b>           | <b>19,810</b>  |
| 31 March 2020                   | %                                           | \$                | \$            | \$                 | \$             |
| Non-interest bearing            | -                                           | 162,849           | -             | -                  | 162,849        |
| Fixed interest rate instruments | 2%                                          | -                 | 20,000        | -                  | 20,000         |
|                                 |                                             | <b>162,849</b>    | <b>20,000</b> | <b>-</b>           | <b>182,849</b> |

The amounts included above for variable interest rate instruments for both financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

#### 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. Fair value is determined in line with the fair value hierarchy outlined in the accounting policies.

| Financial Liability                                                           | Fair value as at 31 March<br>2021 | Fair value as at 31<br>March 2020 | Fair value hierarchy | Valuation technique  |
|-------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|----------------------|----------------------|
| Contingent consideration in Professional Ag Services Inc business combination | -                                 | -                                 | Level 3              | Discounted cash flow |

#### Fair value as at 31 March 2020

##### Pacific North West agronomy, farm management and agtech operations :

- In undertaking the review of operations and financial situation, the Company identified that employment costs in the USA, including benefits were high and predicted to increase. As such, CropLogic 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).

- As announced on 14 February 2020, the Company was due to pay a final instalment of USD315,000 (AUD477,130) to the ProAg Vendors by 31 January 2020. Under the terms of the New ProAg Agreement, the ProAg vendors agreed to release the Company from its obligation to pay the final instalment of USD315,000.

- The full details of the New ProAg Agreement can be found in Appendix 3 of the CropLogic Review and Restructure ASX Announcement, lodged on 23 March 2020.

- 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 has also agreed to sell 734 used units of its proprietary realTime in-field monitoring systems to Professional Ag Services, Inc. generating over USD220,000 (AUD333,234) in revenue for the company, along with a further USD50,000 (AUD75,735) in software licencing revenue.

The Company had no contingent consideration payables as at 31 March 2020.

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

|                                                              | 31 March 2021 | Year ended | 31 March 2020 |
|--------------------------------------------------------------|---------------|------------|---------------|
|                                                              | \$            |            | \$            |
| Opening Balance                                              | -             |            | 421,748       |
| Contingent Consideration as a result of business combination | -             |            | -             |
| Less: amount forgiven                                        | -             |            | (421,748)     |
| Less: amount paid to date                                    | -             |            | -             |
| <b>Total gains or losses:</b>                                |               |            |               |
| - in profit or loss                                          | -             |            | -             |
| Effects of foreign currency exchange differences             | -             |            | -             |
|                                                              | <b>-</b>      |            | <b>-</b>      |

**CropLogic Limited**  
**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2021

**24 Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

The Company has not utilised any incentive schemes for executives and employees.

**Movements in shares options during the year**

|                                      | 2021              |                                       | 2020              |                                       |
|--------------------------------------|-------------------|---------------------------------------|-------------------|---------------------------------------|
|                                      | Number of options | Weighted average exercise price<br>\$ | Number of options | Weighted average exercise price<br>\$ |
| Balance at the beginning of the year | 20,000,000        | 0.060                                 | 10,000,000        | 0.060                                 |
| Granted during the year              | -                 | -                                     | 10,000,000        | 0.060                                 |
| Options expired                      | (20,000,000)      | -                                     | -                 | -                                     |
| Balance at the end of the year       | -                 | -                                     | 20,000,000        | 0.060                                 |

**Movements in performance rights during the year**

|                                      | 2021                         |                                 | 2020                         |                                 |
|--------------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
|                                      | Number of performance rights | Weighted average exercise price | Number of performance rights | Weighted average exercise price |
| Balance at the beginning of the year | 16,023,381                   | 0.039                           | 7,023,381                    | 0.013                           |
| Granted during the year              | -                            | -                               | 9,000,000                    | 0.060                           |
| Performance rights expired           | (16,023,381)                 | -                               | -                            | -                               |
| Balance at the end of the year       | -                            | -                               | 16,023,381                   | 0.0393                          |

# CropLogic Limited

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2021

### 25 Related party transactions

#### Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, and includes the Directors, the CEO, and COO, and CTO. The remuneration of directors and other members of key management personnel during the year was as follows;

|                                           | Year ended    |                  |
|-------------------------------------------|---------------|------------------|
|                                           | 31 March 2021 | 31 March 2020    |
|                                           | \$            | \$               |
| Short-term employee benefits              | 17,697        | 322,500          |
| Post-employment benefits                  | -             | 34,437           |
| Share-based payments - options            | -             | 361,019          |
| Share-based payments - performance rights | -             | 182,694          |
| Directors Fees                            | -             | 173,081          |
|                                           | <b>17,697</b> | <b>1,073,731</b> |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

#### Other related party transactions

Stephen Silver was managing director at Evolution Capital Advisors (previously Hunter Capital Advisors) during the current financial year. The Group purchased \$0 (2020: \$389,162) of consulting and other services from Evolution Capital Advisors.

Steven Wakefield was a council member of the University of Canterbury during the period. In 2021, the Group paid \$0 (2020: \$51,696) for a licensing fee.

### 26 Cash & cash equivalents

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated Statement of Cash Flows can be reconciled to the related items in the consolidated Statement of Financial Position as follows:

|                     | Year ended    |                |
|---------------------|---------------|----------------|
|                     | 31 March 2021 | 31 March 2020  |
|                     | \$            | \$             |
| Cash on hand        | 19,810        | 162,849        |
| Short term deposits | -             | 20,000         |
|                     | <b>19,810</b> | <b>182,849</b> |

### 27 Non-cash transactions

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated Statement of Cash Flows:

- Conversion of senior secured debts into equity (disclosed in note 17)
- Conversion of short-term debt into equity (disclosed in note 17)

### 28 Commitments for expenditure

No commitments for expenditure as at balance date.

### 29 Events after the reporting period

The CropLogic Board has been reviewing suitable projects for the Company and its Shareholders. In December 2021, the Company announced the proposed acquisition of Rocktivity Gold Pty Ltd and associated exploration assets in the Goldfields and the Kimberley region of Western Australia. The Company is seeking to re-comply with the ASX Listing Rules and seek re-enstatement to the ASX on this basis.

### 30 Contingent liabilities and contingent assets

The Group has no contingent assets or liabilities as at 31 March 2021.

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
CROPLAGIC LIMITED**

**Opinion**

We have audited the financial statements of CropLogic Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and International Standards on Auditing (New Zealand) ("ISAs NZ"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We are independent of the Group. Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**THE POWER OF BEING UNDERSTOOD****AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2, which indicates that the Group had net cash outflows from operating activities of \$201,714 for the year ended 31 March 2021. As at that date, the Group had net current liabilities of \$29,561 and net liabilities of \$155,811. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2021 but does not include the financial statements and the auditor's report thereon, which we received prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible on behalf of the Group for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs NZ will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

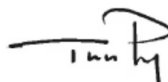
A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1>. This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 16 December 2021

## ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 30 November 2021.

### (a) Distribution schedule and number of holders of equity securities as at 30 November 2021.

The consolidated financial statements have been prepared in accordance with New Zealand generally accepted accounting

|                             | 1 - 1,000 | 1,001 - 5,000 | 5,001 - 10,000 | 10,001 - 100,000 | 100,001 - and over | Total |
|-----------------------------|-----------|---------------|----------------|------------------|--------------------|-------|
| Fully Paid Ordinary Shares  | 33        | 24            | 233            | 1009             | 531                | 1830  |
| Employee Performance Rights | 0         | 0             | 0              | 0                | 0                  | 0     |

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 30 November 2021 is 33.

### (b) 20 Largest holders of quoted equity securities as at 30 November 2021.

The names of the twenty largest holders of fully paid ordinary shares as at 30 June 2021 are:

| Rank         | Name                                                      | 30-Nov-21          | %IC          |
|--------------|-----------------------------------------------------------|--------------------|--------------|
| 1            | Adamo Investments Limited                                 | 376,222,049        | 46.43        |
| 2            | LTL Capital Pty Limited                                   | 28,583,035         | 3.53         |
| 3            | Citicorp Nominees Pty Limited                             | 15,303,944         | 1.89         |
| 4            | HSBC Custody Nominees (Australia) Limited                 | 14,630,517         | 1.81         |
| 5            | GAULE, Michael William                                    | 12,406,553         | 1.53         |
| 6            | INNOVATIVE SOFTWARE LIMITED                               | 11,517,729         | 1.42         |
| 7            | Wind Investment Group Pty Ltd                             | 11,000,000         | 1.36         |
| 8            | POWERHOUSE VENTURES LIMITED                               | 10,102,831         | 1.25         |
| 9            | SUBURBAN HOLDINGS PTY LIMITED                             | 9,497,716          | 1.17         |
| 10           | ASPIRE NZ SEED FUND LIMITED                               | 8,816,730          | 1.09         |
| 11           | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED            | 8,573,715          | 1.06         |
| 12           | GAULE, Michael William                                    | 7,599,618          | 0.94         |
| 13           | MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED | 6,394,219          | 0.79         |
| 14           | GOLDEN WORDS PTY LTD                                      | 4,406,756          | 0.54         |
| 15           | COMSEC NOMINEES PTY LIMITED                               | 4,355,527          | 0.54         |
| 16           | COOMBE, Richard Clifton                                   | 4,300,489          | 0.53         |
| 17           | NEUMANN, Evan and NEUMANN, Ricky                          | 3,500,000          | 0.43         |
| 18           | ROBORGH, Peter Leon                                       | 3,384,000          | 0.42         |
| 19           | BNP PARIBAS NOMINEES PTY LTD                              | 3,147,107          | 0.39         |
| 20           | XU, Zhigang                                               | 3,000,000          | 0.37         |
| <b>Total</b> |                                                           | <b>546,742,535</b> | <b>67.47</b> |

Stock Exchange Listing – Listing has been granted for 810,327,498 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 30 November 2021 are detailed below in part (d).

### (c) Substantial shareholders

Substantial shareholders in CropLogic Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

| Name                      | Date Lodged on ASX | Fully Paid Ordinary Shares | % of Total Shares |
|---------------------------|--------------------|----------------------------|-------------------|
| Adamo Investments Limited | 23/04/2020         | 376,222,049                | 46.42%            |

## ADDITIONAL ASX INFORMATION (continued)

### (d) Unquoted Securities

The number of unquoted securities on issue as at 30 November 2021:

| Unquoted Securities                                     | Number on Issue |
|---------------------------------------------------------|-----------------|
| Options - exercisable at 2c, expiring 16 April 2025     | 165,615,616     |
| Options - exercisable at 4c, expiring 28 December 2021  | 9,496,875       |
| Options - exercisable at 8c, expiring 4 July 2022       | 13,164,893      |
| Options - exercisable at 12c, expiring 3 September 2022 | 8,947,057       |

### (e) Restricted Securities

The Company had no restricted securities as at 30 November 2021.

### (f) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction. Unquoted performance rights have no voting rights.

### (g) On-Market Buy-Back

The Company is not currently undertaking an on-market buy-back.

### (h) Corporate Governance

The Board of CropLogic Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the following website <https://croplogic.com.au/>.

### (i) Application of Funds

During the financial year, CropLogic Limited confirms that it has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with the Company's business objectives.

### (j) Company Secretary

The Company Secretary is Mr Peter Gray.

### (k) Registered Office

The Company's Registered Office is -

**DLA Piper New Zealand**  
Chartered Accountants House  
Level 5  
50-64 Customhouse Quay  
Wellington 6140  
New Zealand

**Moore Australia**  
Level 15  
Exchange Tower  
2 The Esplanade  
Perth WA 6000  
Australia

### (l) Share Registry

The Company's Share Registry is as follows -

Link Market Services  
Level 12, QV1 Building 250  
St George Terrace  
Perth WA 6000

## CORPORATE DIRECTORY

### Registered Office

#### **DLA Piper New Zealand**

Chartered Accountants House  
Level 4, 20 Customhouse Quay  
Wellington 6011  
New Zealand

#### **Moore Australia**

Level 15  
Exchange Tower  
2 The Esplanade  
Perth WA 6000  
Australia

### Website Address

[www.croplogic.com.au](http://www.croplogic.com.au)

### Directors

#### **Simon Andrew**

Non-Executive Director

#### **Peter Gray**

Non-Executive Director  
Company Secretary

#### **Sean Delaney**

Non-Executive Director

### Auditor

#### **RSM Australia Partners**

Level 32  
Exchange Tower  
2 The Esplanade  
Perth WA 6000  
Australia

### Securities Exchange

CropLogic Limited shares are quoted on the Australian Securities Exchange (AS:CLI)

### Share Register

#### **Link Market Services Limited**

Level 12, QV1 Building  
250 St Georges Terrace  
Perth WA 6000  
Australia  
+61 8 9211 6670

### Notice of Annual Meeting

The Annual Meeting of Shareholders is yet to be announced and its expected to be held in Perth, Australia.

Confirmation of this information will be provided to shareholders at an appropriate time.