

ASX APPENDIX 4E
PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Name of entity

CROPLAGIC LIMITED

ABN or equivalent company reference

ARBN: 619 330 648 / NEW ZEALAND COMPANY NUMBER 3184550

Year ended ('current period')

31 March 2020

Results for announcement to the market

Revenue and other income	Decrease	5.48%	\$A 2,080,884
Profit (loss) from ordinary activities after tax attributable to members	Increase	259%	(17,043,286)
Net Profit (loss) for the period attributable to members	Increase	320%	(28,896,194)
Dividends		Amount per security	Franked amount per security
Interim dividend		N/A	N/A
Previous corresponding period		N/A	N/A
*Record date for determining entitlements to the dividend		N/A	
Brief explanation of any figures reported above and short details of any other item(s) of importance not previously released to the market: Please refer to the commentary on the results in the following pages. These results should be read in conjunction with the most recent Annual Report 2019.			

Review of operations

Overview

For the financial year ended 31 March 2020 the company focused mainly on providing agricultural technology to various crop growers including, Infield soil moisture monitoring, Infrared aerial imagery, Yield prediction, and Agronomy and Farm Management.

During the year, the Company achieved significant milestone with its expansion to the US but also faced major headwinds and unforeseen challenges that ultimately led to the failure to achieve any significant and positive outcome.

The Company has finalised its hemp farm trials and has scaled back its exposure to its US based project. The drop in the CBD hemp price has had a significant impact on the industry and CropLogic is continuing to review its strategy for this part of its business. CropLogic does not intend to crop CBD hemp in the 2020 northern hemisphere season. In the interest of reducing operating costs in the meantime employee size has been reduced to key team members.

CropLogic has negotiated an agreement (New ProAg Agreement) that will license the CropLogic soil moisture monitoring technology, including the software source code for CropLogic realTime, to Professional Ag Services, Inc. and transfer the assets of the ProAg business, including customers and personnel, to the vendors of the original ProAg services business, [Professional Ag Services, Inc., a Washington corporation], (ProAg Vendors). These decisions allow CropLogic to reduce its ongoing employee obligations to core staff, greatly reducing its running costs, whilst also maintaining a continued presence in the Pacific North West and developing its technology via Professional Ag Services, Inc as a licensee.

The full impact of these financials has been included in the 2020 financial report.

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CropLogic Limited
Notes to and forming part of the Financial Statements
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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 has relinquished the inventory from the hemp farm trial, plus pay US\$15,000. Furthermore, ProAg CropLogic LLC and LogicalCropping LLC have commenced dissolution.

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

As a result of the failure of the US based hemp farm trials, subsequent dissolution of the US entities and eventual voluntary administration of CropLogic Limited, all Goodwill and Intangibles were impaired to nil value as at 31 March 2020. Following an agreement to offset 100% of the Biological Assets against the lease obligations owed to Bradley V Shephard and Stanley C Shephard for \$1.3 million, the value of Biological Assets has been included at this agreed value. Except for cash at bank, all other current and non-current assets have been considered non-recoverable and impaired to nil value as at 31 March 2020.

Administration Period

On 23 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 will 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.

Looking Forward

The Board has determined the following objectives for the coming years to 2021/22 financial year:

- Reinstatement of the Company to the ASX;
- Investigate opportunities and asset acquisitions that may give rise to facilitating relisting on the ASX.

Although relisting on the ASX is not guaranteed, by focussing on these objectives, the Board is confident that CropLogic can deliver value to all stakeholders including our shareholders.

CropLogic Limited
Notes to and forming part of the Financial Statements
For the year ended 31 March 2020

Your directors submit the preliminary final report of CropLogic Limited for the year ended 31 March 2020.

Directors

The Directors in office during or since the end of the year are:

Mr. Steven Wakefield - Chairperson
 Mr. Peter Roborgh
 Mr. Stephen Silver
 Mr. John Corbett - Non Executive Director (Resigned 17 July 2020)

Key management

The following were key management personal during or since the end of the year:

Mr James Cooper-Jones (Chief Executive Officer)(Resigned 3 June 2020)
 Ms Susan Hunter (Resigned 9 December 2019)
 Mr Sebastian Andre (Company Secretary) (Appointed 9 December 2019) (Resigned 31 March 2021)
 Mr Peter Gray (Company Secretary) (Appointed 31 March 2021)

No dividends have been declared or paid during the financial year ended 31 March 2020

	2020	2019
Basic Loss per Share (cents/share)	(4.33)	(2.66)
Diluted Loss per Share (cents/share)	(4.33)	(2.66)
Net tangible asset per Share (cents/share)	(0.02)	0.01

Details of entities over which control has been gained or lost during the period.

Name of subsidiary	Principal activity	Functional Currency	Place of incorporation & operation	Proportion of ownership interest and	
				31 March 2020	31 March 2019
Indigo Systems Limited	Holding company	NZD	New Zealand	100%	100%
CropLogic USA LLC	Agronomy & Ag Tech Services in Oregon, USA	USD	United States	100%	100%
ProAg CropLogic LLC	Agronomy & Ag Tech Services in Washington State, USA	USD	United States	100%	100%
CropLogic Australia PTY LTD	Agronomy & Ag Tech Services in Australia	AUD	Australia	100%	100%
Lincoln Agriculture PTY LTD	Holding company	AUD	Australia	100%	100%
CLPA Holding Company	Holding company	USD	United States	100%	100%
LogicalCropping LLC	CBD producing Industrial Hemp cropping in Oregon, USA	USD	United States	100%	100%

Subsequent to the year ending 31 March 2020 the following entities were dissolved or placed into administration and failed to exit administration:

- CropLogic USA LLC
- ProAg CropLogic LLC
- Lincoln Agriculture PTY LTD
- CLPA Holding Company
- Logical Cropping LLC

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Details of joint venture entities

Not Applicable

Any other significant information

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

Audit status

These financial statements are in the process of being audited by RSM Australia Partners.

This report is made out with approval of directors:

For and on behalf of the
Board of Directors of
CropLogic Limited



Peter Gray
Company Secretary

Perth Western Australia
31st May 2021

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CropLogic Limited

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2020

		Year ended	
	Note	31-Mar-20	31-Mar-19
		\$	\$
Revenue	4	2,076,799	2,190,539
Total Revenue		2,076,799	2,190,539
Operational expenses		(5,672,561)	(3,531,013)
Research & development		-	(203,911)
General & administrative expenses		(2,946,261)	(2,162,369)
Depreciation & amortisation		(1,219,061)	(651,558)
Other income		4,085	11,046
Other gains/(losses)		871,421	(139,905)
Finance costs		(1,041,502)	(26,219)
Impairment		(9,116,206)	-
Loss before tax		(17,043,286)	(4,513,390)
Taxation expense		-	(233,345)
Loss for the period		(17,043,286)	(4,746,735)
Items that may be reclassified to profit or loss			
Foreign exchange translation differences for foreign operations		(1,852,908)	251,081
Other comprehensive loss for the period		(1,852,908)	251,081
Total comprehensive loss for the period		(18,896,194)	(4,495,654)
From continuing operations			
- Basic (cents per share)	5	(4.33)	(2.66)
- Diluted (cents per share)	5	(4.33)	(2.66)

These financial statements are to be read in conjunction with the accompanying Notes.
These financial statements have not been audited.

CropLogic Limited
Consolidated statement of financial position
As at 31 March 2020

	Note	Year ended	
		31-Mar-20 \$	31-Mar-19 \$
Equity			
Share capital	7	21,554,462	16,763,787
Retained earnings (losses)		(30,047,712)	(13,004,426)
Reserves		\$205,466	621,006
Total Equity		(8,287,784)	4,380,367
Represented by:			
Current assets			
Cash & cash equivalents		182,849	474,694
Trade & other receivables		-	56,262
Income tax receivable		-	1,432
Other current assets		-	777,682
Biological Assets		1,300,000	-
Total Current Assets		1,482,849	1,310,070
Current liabilities			
Trade & other payables		849,774	913,189
Current borrowings		7,221,577	37,018
Other current liabilities		25,000	136,923
Contingent consideration		-	421,748
Income tax payable		255,895	233,345
Lease liabilities		698,985	-
Total Current Liabilities		9,051,231	1,742,223
Working Capital		(7,568,382)	(432,153)
Non Current Assets			
Property, plant & equipment		-	2,295,678
Intangibles		-	997,906
Goodwill		-	2,128,802
Total Non Current Assets		-	5,422,386
Non Current Liabilities			
Borrowings		-	609,866
Lease liabilities		719,402	-
Total Non Current Liabilities		719,402	609,866
Net Assets		(8,287,784)	4,380,367

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CropLogic Limited
Consolidated statement of changes in equity
As at 31 March 2020

	Note	Issued capital	Accumulated losses	Share based payment reserve	Foreign currency translation reserve	Total equity
		\$	\$	\$	\$	\$
Balance at 1 April 2018		14,484,972	(8,321,899)	102,731	218,417	6,484,221
Loss for the period		-	(4,746,735)	-	-	(4,746,735)
Other comprehensive loss for the period		-	-	-	251,081	251,081
Total comprehensive loss		-	(4,746,735)	-	251,081	(4,495,654)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)	7	2,278,815	-	-	-	2,278,815
Performance rights		-	-	23,972	-	23,972
Share based payments		-	-	89,013	-	89,013
Employee share options forfeited		-	64,208	(64,208)	-	-
		2,278,815	64,208	48,777	-	2,391,800
Balance at 31 March 2018		16,763,787	(13,004,426)	151,508	469,498	4,380,367
Balance at 1 April 2019		16,763,787	(13,004,426)	151,508	469,498	4,380,367
Loss for the period		-	(17,043,286)	-	-	(17,043,286)
Other comprehensive income for the period		-	-	-	(1,852,908)	(1,852,908)
Total comprehensive loss		-	(17,043,286)	-	(1,852,908)	(18,896,194)
Transactions with owners in their capacity as owners:						
Contributions of equity (net of transaction costs)	7	4,790,675	-	-	-	4,790,675
Performance rights		-	-	182,694	-	182,694
Share based payments		-	-	1,254,674	-	1,254,674
Employee share options		-	-	-	-	-
		4,790,675	-	1,437,368	-	6,228,043
Balance at 31 March 2020		21,554,462	(30,047,712)	1,588,876	(1,383,410)	(8,287,784)

These financial statements are to be read in conjunction with the accompanying Notes.
These financial statements have not been audited.

CropLogic Limited
Consolidated statement of cash flows
For the year ended 31 March 2020

	Note	Year ended	
		31-Mar-20 \$	31-Mar-19 \$
Cash Flows from Operating Activities			
Cash receipts from customers		2,133,061	2,155,142
Receipts from government R&D tax incentive		-	-
Cash paid to suppliers and employees		(11,612,041)	(6,322,866)
Interest Income		4,085	11,046
Interest paid		(109,629)	-
Income tax paid		-	-
Net Cash Flows used in Operating Activities	6	(9,584,524)	(4,156,679)
Cash Flows from Investing Activities			
Payments for property, plant, and equipment		(413,874)	(61,085)
Proceeds from sale of equipment and software license		-	-
Payments for capitalised development costs		-	-
Payments for acquired intangibles		-	-
Payment for contingent consideration for purchase of business		-	(433,407)
Net Cash Flows used in Investing Activities		(413,874)	(494,492)
Cash Flows from Financing Activities			
Proceeds from issue of shares, net of costs		4,652,781	2,342,828
Proceeds from issue of convertible notes, net of costs		4,499,693	-
Repayment of lease liability		(220,808)	-
Proceeds from borrowings		553,000	-
Repayment of borrowings		-	(101,926)
Share Capital in Advance		-	-
Net Cash Flows from Financing Activities		9,484,666	2,240,902
Net increase/(decrease) in cash and cash equivalents		(513,732)	(2,410,268)
Effects of exchange rate changes on the balance of cash held in foreign currencies		221,887	(47,096)
Cash at the beginning of the year		474,694	2,932,058
Cash at the End of the Year		182,849	474,694

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CropLogic Limited
Notes to and forming part of the Financial Statements
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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 5, 5-64 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.

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 uses 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		Segment profit	
	Year ended		Year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	\$	\$	\$	\$
Australia	47,263	22,964	(750,256)	(1,538,751)
New Zealand	1,349	15,786	(7,285,207)	(2,064,970)
United States	2,102,407	2,151,789	(11,926,172)	(925,070)
Loss before tax and eliminations	2,151,019	2,190,539	(19,961,635)	(4,528,791)
Intersegment Eliminations	(74,220)	-	2,918,349	15,401
Income tax expenses	-	-	-	(233,345)
Consolidated revenue and loss for the period	2,076,799	2,190,539	(17,043,286)	(4,746,735)

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

	Year ended	
	31 March 2020	31 March 2019
	\$	\$
CropLogic Aerial Imagery	111,369	304,470
Hydroprobe	1,304,036	1,399,680
CropLogic RealTime	685,329	440,997
Telemetry	41,826	-
Other misc. income	8,459	45,392
Intersegment Eliminations	(74,220)	-
	2,076,799	2,190,539

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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 2020	31 March 2019
Australia	47,263	22,964
New Zealand	1,349	15,786
United States	2,028,187	2,151,789
	<u>2,076,799</u>	<u>2,190,539</u>

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 2020	31 March 2019
Assets	\$	\$
Australia	54,798	238,834
New Zealand	12,251,273	7,836,864
United States	128,051	4,237,267
Intersegment Eliminations	(12,251,273)	(5,580,508)
Consolidated assets as per Statement of Financial Position	<u>182,849</u>	<u>6,732,457</u>

	31 March 2020	31 March 2019
Liabilities	\$	\$
Australia	2,422,868	1,777,584
New Zealand	7,590,250	366,018
United States	14,138,137	3,437,813
Intersegment Eliminations	(13,597,835)	(3,229,326)
Consolidated liabilities as per Statement of Financial Position	<u>10,553,420</u>	<u>2,352,089</u>

The Group's non-current assets (excluding financial instruments and deferred tax balances) by location of assets are detailed below;

Non-current assets	As at	
	31 March 2020	31 March 2019
Australia	-	38,648
New Zealand	-	3,212,100
United States	-	2,960,207
Intersegment Eliminations	-	(788,569)
Consolidated non-current assets as per Statement of Financial Position	<u>-</u>	<u>5,422,386</u>

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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. Unearned revenue at year end is recognised in the Statement of Financial Position as income in advance and included with other current liabilities.

CropLogic realTime

Revenue from the rendering of CropLogic RealTime services is recognised when the service is provided. Unearned revenue at year end is recognised in the Statement of Financial Position as income in advance and included with other current liabilities.

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

CropLogic Aerial Imagery

Revenue from the rendering of CropLogic Aerial Imagery services is recognised when the service is provided. Unearned revenue at year end is recognised in the Statement of Financial Position as income in advance and included with other current liabilities.

	Year ended	
	31 March 2020	31 March 2019
	\$	\$
Revenue from contracts with customers recognised at a point in time		
Sale of services	2,054,224	2,151,789
Sale of goods	22,575	38,750
	2,076,799	2,190,539

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5 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 2020	Year ended	31 March 2019
	Cents per share		Cents per share
Basic earnings per share	(4.33)		(2.66)
Diluted earnings per share	(4.33)		(2.66)

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 2020	Year ended	31 March 2019
	\$		\$
Loss for the year attributable to members of the parent entity	(17,043,286)		(4,513,390)
Weighted average number of ordinary shares for the purposes of basic earnings per share	393,784,518		169,681,818

6 Reconciliation of Cash Flows from Operations

	31 March 2020	Year ended	31 March 2019
	\$		\$
Profit/(loss) for the period	(17,043,286)		(4,746,735)
(Less)/plus non cash items			
Depreciation & amortisation	1,219,061		651,558
Loss on disposal of assets	-		7,431
Financial instruments at FVTPL	(421,748)		76,731
Net foreign exchange (gains)/losses	(426,661)		-
Impairment	7,491,038		-
Finance costs	54,340		26,219
Share based payments	182,694		43,972
	-		-
(Less)/plus changes in working capital			
Decrease/(increase) in trade & other receivables	56,262		(35,397)
(Increase)/Decrease in biological assets	(1,300,000)		-
(Decrease)/increase in income tax payable	1,432		236,888
Decrease/(increase) in stock & work in progress	-		16,318
Decrease/(increase) in other current assets	777,682		(692,247)
(Decrease)/increase in trade & other payables	(63,415)		430,553
(Decrease)/increase in other current liabilities	(111,923)		(171,969)
Net cash inflow/(outflow) from operating activities	(9,584,524)		(4,156,677)

Reconciliation of liabilities arising from financing activities

	2019	Cash flows	Acquisitions	Non-cash changes	Other	2020
Related party borrowings	-	607,333	-	-	-	607,333
Short term borrowings (i)	478,988	-	-	27,874	-	506,862
Asset Borrowings (ii)	167,896	-	-	(167,896)	-	-
Convertible notes (iii)	-	6,107,382	-	-	-	6,107,382
	646,884	6,714,715	-	(140,022)	-	7,221,577

(i) Other movements in short term borrowings is capitalised interest.

(ii) Asset borrowings relates to HP asset liabilities returned to financier

(iii) USD\$4.25 million (approx. AUD\$6.1 million) by way of a debt instrument with Atlas Capital Markets

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7 Issued Capital

	31 March 2020	As at 31 March 2019
Issued capital comprises	\$	\$
416,605,449 fully paid ordinary shares (31 March 2019: 296,602,740)	21,554,462	16,763,787
	21,554,462	16,763,787
Fully paid ordinary shares	Number of shares	Share capital \$
Balance at 31 March 2018	123,269,440	14,484,972
Fully paid ordinary shares issued at \$0.015	173,333,300	2,600,000
Costs directly attributable to the cost of issuing shares		(321,185)
Balance at 31 March 2019	296,602,740	16,763,787
Fully paid ordinary shares issued at \$0.040	78,503,125	3,140,125
Fully paid ordinary shares issued at \$0.038	3,709,250	140,952
Fully paid ordinary shares issued at \$0.060	37,040,334	2,222,420
Fully paid ordinary shares issued at \$0.080	750,000	60,000
Costs directly attributable to the cost of issuing shares		(772,822)
Balance at 31 March 2020	416,605,449	21,554,462

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 2020 year the Group received services from suppliers where payment was settled by the issue of ordinary shares. The value of services was measured as the fair value of the shares issued. The fair value of the shares was based on the prices paid for equivalent shares by non-employee third parties at the same time. During 2019 there were no such transactions.

Share issue transaction costs during the period of \$772,822 (2019: \$321,185) have been netted off against the amount recognised in equity

Long Term Incentive Plan

On 23 June 2017, the Group issued 1,125,925 performance rights with a fair value of \$102,731 in three classes under its long term incentive plan for selected executives: Class A (533,333 rights), Class B (355,555 rights) and Class C (237,037 rights). The performance hurdles are:

- (Class A): The Group's share price, as traded on ASX, increasing to not less than \$0.30 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the first 12 months following the commencement of official quotation of the Group's shares on ASX
- (Class B): The Company's share price, as traded on ASX, increasing to not less than \$0.45 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class A Performance Rights up to 24 months following the commencement of official quotation of the Company's shares on ASX
- (Class C): The Company's share price, as traded on ASX, increasing to not less than \$0.675 (calculated on a volume weighted average basis over a continuous 30 trading day period) during the period immediately following expiry of the time period specified in the Class B Performance Rights up to 36 months following the commencement of official quotation of the Company's shares on ASX

On 30 April 2018 703,703 of the performance rights with a fair value of 64,208 were forfeited.

On 29 June 2018, the Group issued 6,601,156 performance rights in two classes under its long term incentive plan for selected executives: Tranche A (4,000,001 rights) and Tranche B (2,601,155 rights).

The performance hurdles for Tranche A are:

- 666,667 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between \$0.10 and \$0.14 for the 15 trading days following the end of the first 12 months of employment;
- 1,333,334 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between \$0.15 and \$0.19 for the 15 trading days following the end of the first 12 months of employment;
- 2,000,000 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of \$0.20 or more for the 15 trading days following the end of the first 12 months of your employment;
- If all three milestones are achieved the maximum number of shares to be issued is 4,000,001.

The performance hurdles for Tranche B are:

- 433,526 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between \$0.25 and \$0.34 for the 15 trading days following the end of the first 3 years of employment;
- 867,052 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of between \$0.35 and \$0.44 for the 15 trading days following the end of the first 3 years of employment;
- 1,300,577 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of \$0.45 or more for the 15 trading days following the end of the first 3 years of your employment;
- If all three milestones are achieved the maximum number of shares to be issued is 2,601,155.

The fair value of both tranches of performance rights issued in the current period is \$54,120 and will be expensed over the vesting period.

Long Term Incentive Plan (continued)

On 19 August 2019, the Group issued 9,000,000 performance rights in two classes under its long term incentive plan to members of the Company's management: Tranche 1 (4,500,000 rights) and Tranche 2 (4,500,000 rights).

The performance hurdles for Tranche 1 are:

- 4,500,000 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of \$0.08 for 30 trading days;

The performance hurdle for Tranche 2 are:

- 4,500,000 CropLogic Limited Shares if CropLogic Limited shares achieve a VWAP of \$0.10 for 30 trading days.

The fair value of both tranches of performance rights issued in the current period is \$539,100 and will be expensed over the vesting period.

8 Commitments for expenditure

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

9 Events after the reporting period

The following subsequent events have arisen and/or occurred between 31 March 2020 and the date of this report that could have a significant impact on the operations of the Group, the results of those operations, and the state of affairs of the Group in future years:

- On 3 April 2020, the Company agreed a settlement where NWAS and the Shephard Bros will each receive 50% of the entire 2019 hemp crop including the trimmed flower. 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. Thus NWAS and Shephard Bros will each receive the equivalent of AU\$650,000 in the agreed settlement, and the liens are effectively removed. NWAS and the Shephard Bros will also receive an approximately USD\$15,000 payment for third party costs related to completion of the reparation of the fields. Remaining equipment, mostly related to cultivation of hemp, will also be divided between the NWAS and Shephard Bros.

- On 14 April 2020, the shareholders voted to approve the Debt to Equity Conversion of \$US4,032,073.79 (\$AU6,107,382.17) convertible note owed to Atlas Capital Markets, and \$AU350,000 short term loans payable to Directors of the Company.

- On 23 July 2020, the Company appointed voluntary administrators.

- On 15 September 2020, the DOCA was executed

- 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 focussed on bringing the reporting obligations of the Company up to date following the Voluntary Administration.

10 Contingent liabilities and contingent assets

The Group has no contingent liabilities as at 31 March 2020.