



Pro Forma Consolidated Statement of Financial Position

The table below sets out the pro forma adjustments that have been made to the Historical Statement of Financial Position as at 30 June 2019 in order to prepare the Pro Forma Consolidated Statement of Financial Position. These adjustments reflect the events and assumptions discussed below, including the issue of convertible notes prior to the Offer, expenditure post 30 June 2019, receipt of the offer proceeds and the impact of the conversion of all convertible notes on issue following completion of the maximum \$10 million Offer, as though they had occurred or were in place as at 30 June 2019.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Group's view of its future financial position.

	Notes	30 June 2019	Convertible Note	Subsequent Events	Impacts of the Offer	Pro-Forma 30 June 2019
Assets						
Current assets						
Cash and cash equivalents		510,286	8,413,885	(8,624,171)	9,000,000	9,300,000
Biological assets		142,953	-	-	-	142,953
Inventory		370,787	-	120,000	-	490,787
Accounts receivable		88,280	-	300,000	-	388,280
Prepaid expenses		5,455	-	-	-	5,455
Total current assets		1,117,761	8,413,885	(8,204,171)	9,000,000	10,327,475
Plant and equipment	(1)	609,617	-	4,400,000	-	5,009,617
Intangible assets		158,064	-	-	-	158,064
Refundable deposits		70,697	-	-	-	70,697
Total non-current assets		838,378	-	4,400,000	-	5,238,378
Total assets		1,956,139	8,413,885	(3,804,171)	9,000,000	15,565,853
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	(2)	1,726,722	-	(420,000)	-	1,306,722
Employee benefit obligations		186,840	-	-	-	186,840
Total current liabilities		1,913,562	-	(420,000)	-	1,493,562
Convertible notes		1,330,645	8,515,049	-	(9,845,694)	-
Total non-current liabilities		1,330,645	8,515,049	-	(9,845,694)	-
Total liabilities		3,244,207	8,515,049	(420,000)	(9,845,694)	1,493,562
Net (liabilities)/assets		(1,288,068)	(101,164)	(3,384,171)	18,845,694	14,072,291
Shareholders' equity						
Share capital		7,317,514	-	-	19,811,019	27,128,533
Reserves		887,511	235,780	-	817,570	1,940,861
Accumulated deficit	(3)	(9,493,093)	(336,944)	(3,384,171)	(1,782,895)	(14,997,103)
Total shareholders' equity		(1,288,068)	(101,164)	(3,384,171)	18,845,694	14,072,291

Subsequent events note

- Between 30 June 2019 and the date of this Pro Forma the company has spent \$4.4 million fitting out its expanded cultivation facility.
- At the date of this Pro Forma, the Company has reduced its trade creditors by a net \$420,000 during the period.



3. Between 30 June 2019 and the date of this Pro Forma the company has spent a net \$3.3 million on working capital, research and development, operational costs, sales and marketing and regulatory compliance.