

ABUNDANT PRODUCE LIMITED

ABN 46 606 255 887

ASX APPENDIX 4D RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2016 and the Interim Report for the half year ended 31 December 2016 and the attached auditors' review report.

This Appendix 4D is prepared in accordance with ASX Listing Rule 4.2A.3. Reporting period: Half-year from 1 July 2016 to 31 December 2016.

Previous corresponding period: Half-year from 1 July 2015 to 31 December 2015.

Financial Results

Revenue from ordinary activities for the period:	Down 82% by \$296,294 to \$63,745
Loss from ordinary activities after tax for the period attributable to members:	Down 317% by \$812,425 to \$556,288
Net loss after tax for the period attributable to members:	Down 317% by \$812,425 to \$556,288

The Company does not propose to pay dividends in the current period.

The Group incurred an after tax loss attributed to members of \$556,288 for the six months to 31 December 2016 (2015: \$256,137 profit).

Significant Events since Balance Sheet Date

No matters have arisen since 31 December 2016 that have significantly affected, or may significantly affect the Company's operations in future financial years, the results of those operations in future financial years or the Company's state of affairs in future financial years.

Net Tangible Assets

	As at 31/12/2016	As at 30/06/2016
Net tangible assets per ordinary share	0.06 cents	0.10 cents

The accounts presented include an auditors' review report with an emphasis of matter regarding the going concern.



abundantproduce

ACN 606 255 887

**INTERIM REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**



Contents

Directors' Report	3
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and other Comprehensive Income for the Half Year ended 31 December 2016	6
Consolidated Statement of Financial Position as at 31 December 2016	7
Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2016	8
Consolidated Statement of Cash Flows for the Half Year ended 31 December 2016	9
Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2016	10
Directors' Declaration	14
Independent Auditor's Review Report	15

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Directors' Report

Your Directors present their report on the Company, Abundant Produce Limited and its consolidated entities, for the half-year ended 31 December 2016.

Directors

The followings persons were Directors of Abundant Produce Limited during or since the end of the financial half year;

- Mr Graham Brown, Executive Chairman (appointed 6 December 2016) and director since 26 April 2016
- Mr Anthony Crimmins, Chief Executive Officer
- Mr Adam Hajek, Executive Director
- Mr Stuart Richardson, Non-Executive Director
- Mr Vince Logan, Non-Executive Chairman (resigned 6 December 2016)

Review of operations

The Group incurred an after tax loss attributed to members of \$556,288 for the six months to 31 December 2016 (2015: \$256,137 profit).

As may be expected following an Initial Public Offering, this six month was a period of rapid business development, both in terms of plant breeding capacity and commercialization of our Intellectual Property (IP). I would like to start by thanking Dr Nabil Ahmad and Adam Hajek for so quickly expanding Abundant Produce's plant breeding capacity. Barely 6 months after receiving the funds from the IPO, Abundant's plant breeding space has nearly tripled from 1,730m² to 4,740m² with a commensurate increase in skilled plant breeders and the installation of a microprocessor controlled fertigation system providing precise control of nutrients. The new staff and increased (and upgraded) greenhouse space means accelerated development of vegetable plant IP not only for our existing cucumbers and tomatoes but other vegetables in the Abundant pipeline.

Our cucumbers have now been independently tested against the world's best A-grade fruiting plants in distributor-controlled trials. Abundant's business model is centered on developing vegetable plant IP then earning royalties for each seed sold by distributors. As such, we need to work with dominant global distributors, to become part of their offering. Their reputation is of course on the line, so we have had to convince them that our product is not only good, but superior by a healthy margin. Our plants were found to produce higher yields than the established incumbents that have enjoyed market dominance for many years. This development paves the way for Abundant Produce to become a leading supplier of Beit Alpha cucumbers (otherwise known as Lebanese cucumbers) to the Middle East.

The Company has been negotiating with one of the four major international seed houses for some time, and following the abovementioned successful seed trials, we expect to enter into a formal distribution agreement with regard to the Middle East and Asia Minor, in the near future. The distributor may elect to source seeds from Abundant, or produce their own seeds using our parental stock, or use a combination of the two in order to bring product quickly to market.

Currently we grow all our seeds in Australia, but in future the production of commercial quantities will be contracted to companies overseas with an established track record with the big four distributors, a

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

lower cost base than we could achieve in Australia, and disease free growing environments. To this end, we have initiated a contract with Chilean producers for seed to be harvested this March. This will allow Abundant Produce to provide product to our global distributors immediately rather than wait a season for them to grow up their own stock supply. We are investigating other South American countries along with Vietnam, India and China in order to facilitate year-round production cycles.

In November and January, we sent delegates to the American Seed Trade Association and Asia and Pacific Seed Association conferences, which together cover the USA, Europe, Middle East and Asia. Shanan Birkin and the marketing team met with over 60 distributors to promote Abundant Produce and discuss the potential for further seed trials and distribution agreements.

Finally, we prefer the 'quiet achiever' approach and don't generally discuss the pipeline of opportunities that we investigate until we can announce tangible results, but I must disclose that our plant extract company, Abundant Natural Health Pty Ltd (ANH) has signed an agreement with the University of New South Wales (UNSW). ANH is breeding plants specifically to produce 'active ingredients' which will be extracted utilising a complex UNSW developed 'critical fluid' technique to ensure that the active ingredient recovered remains intact and pure. We plan to launch ANH before July this year. The target market is China (although we will offer internet sales to Australian customers as a courtesy). The industry is competitive so we will time further announcements carefully as products become ready for sale.

Significant Events since Balance Sheet Date

No matters have arisen since 31 December 2016 that have significantly affected, or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years or the Group's state of affairs in future financial years.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors.



Graham Brown, Chairman

Dated this 28th day of February 2017



**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ABUNDANT PRODUCE LIMITED**

SYDNEY

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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Date: 28 February 2017

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ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2016

		Half-year ending	
	Note	31 Dec 2016	31 Dec 2015*
		(\$)	(\$)
Revenue	2	63,745	360,039
Cost of Sales		(91,800)	(35,600)
Gross (Loss)/Profit		(28,055)	324,439
Other revenue		4,117	160
Consultancy expense		(149,023)	(25,624)
Directors remuneration		(158,774)	-
Depreciation and amortisation expense		(104,149)	(50,877)
Employee costs		(25,370)	-
Rent		(44,980)	(1,091)
Finance costs		(380)	(79)
Cucumber seeds written-off		(50,927)	-
Research costs written-off		(136,976)	-
Other expenses		(101,894)	(9,214)
(Loss)/Profit before income tax		(796,411)	237,715
Income tax benefit/(expense)		240,123	(18,422)
(Loss)/Profit after income tax		(556,288)	256,137
Earnings per share:			
Basic and diluted (loss)/profit per share		(1.2) cents	0.8 cents

* The reported figures for the six months ended 31 December 2015 are for Abundant Produce Australia Pty Ltd only and do not include Abundant Produce Limited.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Consolidated Statement of Financial Position as at 31 December 2016

	Note	31 Dec 2016 (\$)	30 Jun 2016 (\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,681,792	2,511,717
Trade and other receivables		211,254	285,444
Inventories		667,642	769,415
TOTAL CURRENT ASSETS		2,560,687	3,566,576
NON-CURRENT ASSETS			
Property, plant and equipment		394,768	384,885
Intangible assets		724,873	724,747
Deferred tax assets		513,564	292,321
TOTAL NON-CURRENT ASSETS		1,633,205	1,401,953
TOTAL ASSETS		4,193,893	4,968,529
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		241,914	441,382
TOTAL CURRENT LIABILITIES		241,914	441,382
NON-CURRENT LIABILITIES			
Deferred tax liabilities		544,834	563,714
TOTAL NON-CURRENT LIABILITIES		544,834	563,714
TOTAL LIABILITIES		786,748	1,005,096
NET ASSETS		3,407,145	3,963,433
EQUITY			
Contributed equity	6	5,011,223	5,011,223
Accumulated losses		(1,604,078)	(1,047,790)
TOTAL EQUITY		3,407,145	3,963,433

The above statement of financial position should be read in conjunction with the accompanying notes.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2016

	Contributed equity	Accumulated losses	Total
	(\$)	(\$)	(\$)
Balance as at 1 July 2015*	808,977	(13,781)	795,196
Profit for period	-	256,137	256,137
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	256,137	256,137

Transactions with owners in their capacity as owners:

Shares issued during the period net of costs	46,200	-	46,200
Balance as at 31 December 2015*	855,177	242,356	1,097,533

Balance as at 1 July 2016	5,011,223	(1,047,790)	3,963,433
Loss for period	-	(556,288)	(556,288)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(556,288)	(556,288)

Transactions with owners in their capacity as owners:

Shares issued during the period net of costs	-	-	-
Balance as at 31 December 2016	5,011,223	(1,604,078)	3,407,145

* The reported figures for the six months ended 31 December 2015 are for Abundant Produce Australia Pty Ltd only and do not include Abundant Produce Limited.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Consolidated Statement of Cash Flows for the Half Year ended 31 December 2016

	31 Dec 2016	31 Dec 2015*
	(\$)	(\$)
Cash flows from operating activities		
Cash receipts from customers	35,160	8,712
Receipts from government R&D tax incentive	-	144,267
Payments to suppliers and employees	(391,137)	(9,596)
Interest received	4,116	160
Net cash outflow from operating activities	(351,861)	143,543
Cash flows from investing activities		
Payments for property, plant & equipment	(273,627)	-
Loans to parent prior to acquisition	-	(56,338)
Payments for research & development	(204,437)	(146,687)
Cash flows from investing activities	(478,064)	(203,025)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	-	46,200
Net cash inflow from financing activities	-	46,200
Net (decrease) in cash and cash equivalents	(829,925)	(13,282)
Cash and cash equivalents at the beginning of the half-year	2,511,717	14,640
Effect of exchange rates on cash holdings in foreign currencies	-	-
Cash and cash equivalents at the end of the half-year	1,681,792	1,358

* The reported figures for the six months ended 31 December 2015 are for Abundant Produce Australia Pty Ltd only and do not include Abundant Produce Limited.

The above statement of cash flows should be read in conjunction with the accompanying notes.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2016

Note 1—Basis of Preparation of Half-Year Report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest financial statement of Abundant Produce Limited and its controlled entities (referred to as the 'Consolidated Group' or 'Group'). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 28 February 2017.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Going Concern

The Group financial statements have been prepared and presented on a basis assuming it continues as a going concern. During the period ended 31 December 2016, the Group incurred a loss before tax of \$556,288 and had net cash outflows from operating activities of \$351,861 as disclosed in the statement of profit or loss and other comprehensive income and statement of cash flows respectively.

The Group has \$1,681,792 in cash at the end of 31 December 2016 which is sufficient in the view of the Directors to meet the outgoings of the Group and to enable it to pay its debts as & when they fall due over the next 12 months from the date of this report. Therefore, the Directors consider that the going concern basis is appropriate.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2016

Note 1 - Basis of Preparation of Half-Year Report (cont.)

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016.

Note 2 - Revenue

	Half-year ending	
	31 December 2016	31 December 2015*
	\$	\$
Revenue		
Seed Sales	37,325	9,040
Gain on initial recognition of seed	25,709	350,000
Other income	711	999
Total	63,745	360,039

* The reported figures for the six months ended 31 December 2015 are for Abundant Produce Australia Pty Ltd only and do not include Abundant Produce Limited.

Note 3 - Loss before tax

All revenue and expense items that are relevant in explaining the financial performance for the interim period have been included in the statement of profit or loss and other comprehensive income.

Note 4 - Dividends

No dividends have been declared or paid during the period.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Notes to the Financial Statements for the Half Year ended 31 December 2016

Note 5 - Operating Segments

Identification of reportable segments

Currently the directors view the financial performance of the Group on a consolidated basis and has no defined operating segments. The Group core activity is the development and production of seeds for sale and its operates from one location, being Australia.

The Group's segment operating (loss)/profit reconciles to the Group's loss before tax as presented in its financial statements as follows:

	Six months to 31 Dec 2016	Six months to 31 Dec 2015*
	(\$)	(\$)
Profit or loss		
Total reporting segment operating (loss)/profit	(78,981)	324,439
Other corporate expenses	(481,043)	(68,383)
Group operating loss		-
Finance costs	(380)	(79)
Finance income	4,116	160
Group (loss)/profit for the period	(556,288)	256,137

* The reported figures for the six months ended 31 December 2015 are for Abundant Produce Australia Pty Ltd only and do not include Abundant Produce Limited.

Note 6 - Contributed Equity

(a) Share Capital

	Note	As at 31 December 2016	As at 30 June 2016
		(\$)	(\$)
Ordinary Shares			
Fully paid shares	(b)	5,011,223	5,011,223
		5,011,223	5,011,223

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Notes to the Financial Statements for the Half Year ended 31 December 2016

(b) Movements in Ordinary Share Capital

	As at 31 December 2016 \$	As at 30 June 2016 \$	As at 31 December 2016 No:	As at 30 June 2016 No:
At the beginning on reporting period	46,500,000	22,328,501	5,011,223	808,976
1 July 2015(Issue of shares to founder)		4,000,000		400
13 July 2015(placement)		500,000		25,000
3 August 2015(placement)		200,001		10,000
24 August 2015(placement)		6,500,000		11,200
26 April 2016(shares exchanged on acquisition)		(29,528,502)		-
26 April 2016(deemed shares issued to shareholders of controlled entity on acquisition)		25,000,000		800,000
26 April 2016(issue of shares on IPO)		17,500,000		3,500,000
Transaction costs				(144,354)
Closing Balance	46,500,000	46,500,000	5,011,223	5,011,223

Note 7 - Contingent Liabilities

The Group does not have any contingent liabilities as at 31 December 2016.

Note 8 - Events Occurring after the Balance Sheet Date

No matters have arisen since 31 December 2016 that have significantly affected, or may significantly affect the Company's operations in future financial years, the results of those operations in future financial years or the Company's state of affairs in future financial years.

Note 9 - Related Party Transactions

During the half year ended 31 December 2016 there were no significant changes to the related party transactions to those disclosed in the 30 June 2016 annual report.

Note 10 - Controlled Entities

On 4 November 2016, Abundant Natural Health Pty Ltd was incorporated as a wholly owned subsidiary of Abundant Produce Limited. This company did not trade during the period. The group also includes Abundant Produce Australia Pty Ltd, which is also a wholly owned subsidiary of Abundant Produce Limited.

ABUNDANT PRODUCE LIMITED

ACN 606 255 887

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Abundant Produce Limited will be able to pay its debts as and when they become due and payable.

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



Graham Brown, Chairman Sydney

Dated this 28th day of February 2017

**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ABUNDANT PRODUCE LIMITED**

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Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Abundant Produce Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ABUNDANT PRODUCE LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Abundant Produce Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

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Level 40, 2 Park Street
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Graham Webb

GRAHAM WEBB

Partner

Date: 28 February 2017