

Abundant 4C and Commentary

ASX Announcement
31st July 2017

Highlights

- **Commercialisation of R&D portfolio commences**
- **Abundant Natural Extracts commences production and first sales**
- **Registration of Abundant trademark in China**
- **\$1.124 million cash balance as at 30 June 2017**
- **\$75,819 R&D refund received in April, with a further \$108,677 received in July**

Abundant Produce Ltd (ASX: ABT, “Abundant”), is pleased to provide its June 2017 quarterly report.

Seeds

(a) Commercialization and Co-Hybrid agreement

The June quarter included a significant milestone for Abundant Produce, with the commencement of global commercialisation of its plant breeding Research and Development Portfolio. In June, Abundant entered into a multi-decade Commercialization and Co-Hybrid agreement with a major international distributor. The agreement covers the production, marketing, sales and distribution of hybrid seeds, and the co-development of new varieties combining the intellectual property of the two companies. On signing, the agreement included nominated varieties of cucumbers, and catered for additional varieties and species to be added as they became ready for commercialisation.

The seed division is now engaged in production and sales planning with the International distribution partner and royalties from the Commercialization and Co-Hybrid Agreement are expected to commence in the current financial year.

(b) Cucumbers

Abundant Produce continues to develop cucumber varieties to ensure the product pipeline remains full in coming years. “Telegraph” and winter season Lebanese style cucumbers are approaching the trial stage and a portfolio of innovative snack style cucumbers follows.

(c) Tomatoes

In July the Board announced that five varieties of tomato were also ready for sale and distribution, six months ahead of schedule.



Nutraceuticals

During the quarter, Abundant's wholly owned subsidiary, Abundant Natural Health Pty Ltd (ANH) also commenced trading. ANH is focused on the creation of nutraceutical products from plant extracts, principally for sale into China.

(a) Tomato Infusion

The initial production run of Tomato Infusion - Lycopene Active Daily Face Cream was completed, and sales commenced with an initial \$60,000 order.

(b) Trademark registration in China

Reflecting ANH's primary target market, China's aspirational middle class, ANH successfully registered the trademark for Abundant 雅达 in China. 雅达 is pronounced 'Ya da' translates to English as 'elegant and demure'. The trademark is a key facet of ANH's strategy for establishing brand presence in China and selling offline through traditional distribution channels, in addition to online sales.

Abundant Produce looks forward to further sales from ANH this quarter and the marketing of further nutraceuticals .. ANH has a number of vegetable extract consumer natural health product lines in various stages of development which will be strategically released to the market.

Financial

The cash balance for ABT Group at the end of June 2017 was \$1.124 million. Total expenditure during the quarter was \$220,000. Of this, \$130,000 was on research, development and production. A further \$22,000 was invested in the completion of the additional greenhouses at Cobbitty. During the quarter a \$75,819 R&D refund was received. A further \$108,677 has been received in July.

For more information, please contact:

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About Abundant Produce Ltd

Abundant Produce Ltd (ASX: ABT) is Australia's only listed plant breeder and agricultural I.P. developer. In collaboration with the University of Sydney's Plant Breeding Institute, Abundant breeds hybrid greenhouse vegetables with better yield, disease resistance, temperature tolerance, taste, texture, colour and shape, and sells seeds to food producers, worldwide. Through wholly owned subsidiary, ANH, Abundant creates and markets personal care products based on active extracts from purpose bred vegetable plants.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Abundant Produce Limited

ABN

46 606 255 887

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	68	115
1.2	Payments for		
	(a) research and development	(34)	(409)
	(b) product manufacturing and operating costs	(96)	(111)
	(c) advertising and marketing	-	(19)
	(d) leased assets	-	-
	(e) staff costs	(16)	(100)
	(f) administration and corporate costs	(128)	(618)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	76	76
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(114)	(1,046)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(22)	(342)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(22)	(342)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,260	2,512
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(114)	(1,046)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(342)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,124	1,124

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,124	60
5.2	Call deposits	-	1,200
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,124	1,260

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

33
-

Consulting fees only paid during the quarter – no directors' fees were paid

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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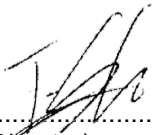
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	100
9.2 Product manufacturing and operating costs	50
9.3 Advertising and marketing	5
9.4 Leased assets	-
9.5 Staff costs	15
9.6 Administration and corporate costs	100
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	270

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Director)

Date: 31 July 2017

Print name: Tony Crimmins

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.