



Letter to Shareholders

Business Update - growing sales, delisting and disclosure

Wednesday 19th February 2020

The Board and management are committed to Abundant achieving its full potential, growing revenues sufficiently to allow the payment of dividends to shareholders and, in due course, returning to the official list of the Australian Stock Exchange, offering shareholders the benefit of a liquidity event.

Business Outlook

A disciplined brand focus on providing effective pain relief is delivering results.

Australian Pharmacy sales were up 50% in the December Quarter as consumer demand drove re-ordering of the Magnesium Spray and Gel, and ANH expects to take delivery of Magnesium Lotion inventory during the current quarter, targeting the aging demographic and adding to brand depth.

Abundant's launch of the new Ocean Soothe Range late last year was followed by a multi-platform content driven digital marketing strategy which generated a leap in social media post engagement, a 51% increase in organic searches in the December quarter together with website users up 90%, unique pageviews up 95%, and online sales revenue up 72%. Ocean Soothe sales in Australia are well above forecast and sales into Australian Pharmacies have commenced. January sales were around 75% higher than comparatives for the 2019 launch of the Magnesium range.

In March, Abundant will exhibit the pain relief and psoriasis ranges to Australia's biggest pharmacy industry event (the 30th annual Australian Pharmacy Professional Conference & Trade Exhibition in Queensland), and introduce U.S. market product variants at the world's largest natural, organic and healthy products trade show (Expo West) in Anaheim, California. U.S. manufacturers have been engaged to distribute directly into the North American Marketplace and MMI Market Solutions have commenced marketing of Abundant products. Chinese distribution negotiations with a large pharmaceutical and healthcare online platform have experienced coronavirus related delays but are proceeding.

Seven new products are slated for release over the remainder of calendar 2020 (though exact timing will be dependant on manufacturing timelines and pharmacy catalogue

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reviews).

Delisting

Following shareholder enquiries, the Board would like to make the following clarifications:

- The Board considers the value of the business to be significantly higher than the current ASX traded price (around 3 cents).
- Recent trading volumes are regarded as insufficient to provide shareholders with meaningful liquidity.
- Shareholders continue to own a portion of the company unless and until they sell their shares.
- Shareholders may sell their ABT shares prior to the delisting (or after the delisting in an off market transaction but this would require off market buyers to be identified) or they may hold their shares and participate in any future dividends as the business grows.
- Should ABT re-list in the healthcare sector when revenues and business growth allows, remaining shareholders would retain their holding in the newly listed company.

Ongoing Reporting and Disclosure

Assuming ABT does delist, the company will continue to be a 'disclosing entity' (as defined in section 111AC of the Corporations Act 2001). As such the company will continue to inform shareholders via:

- audit-reviewed half-yearly accounts and audited annual accounts
- continuous disclosure of price-sensitive information.

Shareholders with questions about their Abundant investment are encouraged to seek advice from their financial advisor.

Tony Crimmins, Chief Executive Officer
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