

## Plant breeding update and Appendix 4C – quarterly report

### ASX Announcement

19 October 2016

### Highlights

- Cash flowing from direct and on-line ‘Cutecumber’ seed sales, with two additional cucumber lines recently released for coming growing seasons.
- Tomato trials yield encouraging results, supporting potential near-term commercialisation of five high-quality varieties to sell into the large and attractive global tomato market.
- Abundant Produce continues to engage with a large globally-recognised agricultural firm with the purpose of executing an international seed distribution agreement for selected cucumber varieties.
- Corporate cash balance of more than \$2.1 million at 30 September 2016, having controlled operational cash burn to less than \$85,000 per month.

Abundant Produce Ltd ((ASX: ABT), “the Company”), Australia’s only listed plant breeding company, is pleased to present its September 2016 quarterly report on business progress.

### Operational review

Abundant Produce continues to make pleasing progress toward its goals of gaining industry acceptance of its plant intellectual property and global distribution of its hybrid vegetable plant seeds.

### Cash flowing from cucumber seed sales

Abundant Produce is pleased to report initial small cash receipts flowing from domestic sales of cucumber seed. These sales are primarily to growers of the Company’s ‘Cutecumber’ baby snacking cucumbers.

Abundant Produce Chief Executive Officer, Tony Crimmins, said:

“Farmers are responding positively to our thoroughbred seeds that grow into high-yielding, strongly resistant plants that produce great-tasting cucumbers of A-grade colour, texture and shape. Since we enabled direct domestic purchase of professional seeds by serious gardeners through [AbundantProduce.com](http://AbundantProduce.com) during the quarter, we have received online orders from fresh produce growers around Australia”.



“More than four years of research and development have gone into the Cutecumber range we brought to market for the first time in July 2016. The rigour of our breeding programme has been a key selling point for South Australian commercial farmers, who have been buying our Cutecumber seeds for metropolitan supermarket sales.

“Having also [recently released](#) the Ultimo and Jyndy hybrid cucumber varieties for the coming growing seasons, we look forward to helping to meet more Australian fresh produce growers’ need for high-quality seed. Direct seed sales for serious home grower are available on line through [AbundantProduce.com](http://AbundantProduce.com).”

## **International distribution strategy**

Independently of its online direct seed sale operations, Abundant Produce continues to focus on achieving international distribution of its hybrid vegetable seed lines.

In pursuit of this goal, the Company continues to engage with a large globally-recognised agricultural firm with the intent of developing an international seed distribution agreement.

The Company views production to be part of its business model only insofar as it supports domestic online direct sales. The costs of an international ramp up in seed production are anticipated to be borne by distribution partners, with intellectual property royalties to flow to Abundant Produce.

## **Tomato programme set to proceed to commercial phase**

The Company has completed its internal trials of the five tomato lines carefully chosen from a field of 40 combinations on the basis of their commercially appealing characteristics. These tomato types include mini roma, grape, mini beef steak and two types of cherry tomatoes – bred to optimise yield, disease resistance, flavour, shelf life and the proportion of A-grade fruit.

The Company’s internal trials have yielded encouraging reports which should support potential commercialisation of all five tomato lines. This places Abundant Produce well to progress commercial negotiations when the tomato lines become ready for review in December 2016.

## **Corporate review**

The Company’s cash balance on 30 September 2016 was \$2.137 million, with management’s careful focus on cost minimisation delivering quarterly operational cash burn of \$249,000. During the September quarter Abundant Produce lodged its research and development return and anticipates a refund in the December quarter exceeding \$200,000.

## **For more information, please contact:**

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## **About Abundant Produce Ltd**

Abundant Produce Ltd (ASX: ABT) is Australia's only listed agricultural intellectual property development house. Based in Sydney and Cobbitty, New South Wales, the Company breeds superior vegetable seeds at the University of Sydney's Plant Breeding Institute, Cobbitty.

Abundant Produce specialises in breeding hybrid greenhouse vegetables with better yield, disease resistance, temperature tolerance, taste, texture, colour and shape. The Company develops innovative products that target the gap in the market for highly productive food crops that thrive in low-tech conditions.

## 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 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	18	18
1.2	Payments for		
	(a) research and development	(138)	(138)
	(b) product manufacturing and operating costs	(2)	(2)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(132)	(132)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(249)</b>	<b>(249)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(126)	(126)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(126)</b>	<b>(126)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,512	2,512
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(249)	(249)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(126)	(126)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,137</b>	<b>2,137</b>

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	338	207
5.2	Call deposits	1,799	2,305
5.3	Bank overdrafts	-	
5.4	Other (provide details)	-	
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,137</b>	<b>2,512</b>

**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
74
-

Directors fees & consulting fees

**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. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	187
9.2 Product manufacturing and operating costs	2
9.3 Advertising and marketing	1
9.4 Leased assets	-
9.5 Staff costs	16
9.6 Administration and corporate costs	145
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>351</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: .....  
(Director)

Date: 19 October 2016

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.