



Abundant Seeds plans production boost to meet growing demand

ASX Announcement

6 September 2018

Highlights

- **Abundant Seeds achieves a new daily record number of cucumber seeds sold (more than 200,000 seeds in just one day), with FY19 to date sales +569% year-on-year for the September quarter to more than \$32K**
- **Production increases planned in Australia and Chile to meet growing domestic and international demand**
- **Abundant will directly target large food distribution chains with its commercial tomato seeds, with its products' full traceability to complement their Australian Made credentials**

Abundant Seeds (AS)

Plant intellectual property developer Abundant Product Ltd (ASX: ABT, "Abundant" or "the Company") is pleased to provide a business development update for its hybrid plant breeding segment, Abundant Seeds.

The Company has steadily expanded sales of its cucumber seeds in CY18. In the first week of September, Abundant Seeds achieved a new daily record number of seeds sold, being more than 200,000 seeds in just one day.

The Company is responding to farmers' concerns about imported cucumber varieties being potentially susceptible to disease and maladapted to Australian growing conditions, which is fueling growth in demand for Abundant's summer, winter and mini cucumber seeds.

In the financial year to date (1 July 2018 to first week of September), Abundant has achieved 569% growth in the dollar value of cucumber seeds sold relative to the period one year earlier.

The Company is experiencing this demand and sales growth most notably in coastal New South Wales, South Australia and the United Kingdom.

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Abundant's international distribution strategy has yielded material results, with a large UK-based customer recently having renewed its annual cucumber seed order and expanded it by 50%.

The Company's near-term growth strategy will now see Abundant Seed focus on supplementing increased international sales with expansion in the domestic Australian market.

Abundant Seeds Sales and Operations Manager, Sarah Pearson, said:

"The best way to grow long-term sales of an agricultural product is through field testing, trials, education, market feedback and buy-in. Now that our customers have experienced up to four growing seasons with Abundant cucumbers in a variety of conditions, we are documenting material improvements to yield, quality and disease resistance. This is helping to drive momentum in our business through satisfied customers and distributors."

To keep up with growing international and domestic demand, the Company plans to increase commercial seed production. To facilitate growth in the Australian market, initially Abundant will fully utilise its greenhouses in New South Wales, and subsequently the Company will consider third party production partnerships and expanding its sales force.

To cover international demand, Abundant plans to increase cucumber seed production in Chile.

Abundant Produce CEO, Tony Crimmins, said:

"We are continuing to execute our growth strategy as Australian and international plant growers increasingly recognise the merits of superior quality Abundant seeds."

"We are scaling up Abundant Seeds with a focus on margin expansion over time. For our domestic business, we anticipate our direct sales growth to augment that which we are achieving through resellers, which should accelerate our path to positive cash flow."

"In Chile, the low cost of producing high-quality clean seed through our established production partners makes our international operations increasingly attractive to Abundant Seeds."

"Having achieved early success with Abundant's cherry tomatoes and mini heirlooms, we plan to introduce our tomato seeds to the market by targeting large food distribution chains directly rather than their suppliers."

"With consumers increasingly interested in the provenance of their food, we expect the full traceability of Abundant Produce's commercial seeds to complement food distributors' Australian Made credentials."

Abundant Produce has developed a presentation to stakeholders which covers Abundant Seeds' competitive advantage and provides detailed testimonials from growers. This presentation will be made available on the ASX platform after release of this announcement.

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About Abundant Produce Limited

Abundant Produce Limited (ASX: ABT) develops agricultural intellectual property, creating superior seeds and producing skin care products based on natural vegetable extracts. Based in Sydney and Cobbitty (at the University of Sydney's Plant Breeding Institute), Abundant breeds superior vegetable seeds for food producers, and vegetable plants for their active extracts.

Abundant specialises in breeding hybrid greenhouse vegetables with better yield, disease resistance, temperature tolerance, taste, texture, colour and shape, developing innovative products to target demand for highly productive food crops that thrive in low-tech conditions.

