

ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
ASX APPENDIX 4D
RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

The following information should be read in conjunction with both the Financial Report for the year ended 30 June 2017 and the Interim Report for the half year ended 31 December 2017 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 2017 to 31 December 2017.

Previous corresponding period: Half-year from 1 July 2016 to 31 December 2016.

Financial Results

Revenue from ordinary activities for the period:	\$390,764
Loss from ordinary activities after tax for the period attributable to members:	(\$1,109,874)
Net loss after tax for the period attributable to members:	(\$1,109,874)

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

The Group incurred an after tax loss attributed to members of \$1,109,874 for the six months to 31 December 2017 (2016: \$556,288 loss).

Significant Events since Balance Sheet Date

No matters have arisen since 31 December 2017 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 31/12/2017	As at 30/06/2017
Net tangible assets per ordinary share	2.2 cents	4.2 cents

The accounts presented include an auditors' review report.



abundantproduce

**ABUNDANT
PRODUCE LIMITED
ACN 606 255 887
AND CONTROLLED ENTITIES**

**INTERIM REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**



Contents

Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and other Comprehensive Income for the Half Year ended 31 December 2017	6
Statement of Financial Position as at 31 December 2017	7
Statement of Changes in Equity for the Half Year ended 31 December 2017	8
Statement of Cash Flows for the Half Year ended 31 December 2017	9
Notes to the Financial Statements for the Half Year ended 31 December 2017	10
Directors' Declaration	14
Independent Auditor's Review Report	15



ABUNDANT PRODUCE LIMITED

ACN 606 255 887

AND CONTROLLED ENTITIES

Directors' Report

Your Directors present their report on the Company, Abundant Produce Limited and its consolidated entities, for the half-year ended 31 December 2017.

Directors

The following 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 2017) and director since 26 April 2017
- 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 2017)

Review of operations

The Group incurred an after tax loss attributed to members of \$1,109,874 for the six months to 31 December 2017 (2016: \$556,288 loss).

Abundant Natural Health (ANH)

ANH'S SALES UPDATE: CHINESE MARKET AND E-COMMERCE

Following the launch of our Tomato Infusion Face Cream announced on 6 July 2017, sales of circa \$120,000 have been generated through our Chinese distribution network, with \$11,145 from e-commerce sales, to December 2017.

Since the December launch of Lips Alive, we are releasing a further four new lines comprising:

- Tomato Infusion Eyes Alive (released 20/01/18 at RRP\$78.00)
- Mag Ache Relief Gel (release date 27/01/18 at RRP\$35.00)
- Mag Sports Spray (release date 27/01/18 at RRP\$38.00)
- Salt Soothing Gel (release date 27/01/18 at RRP\$35.00)

THE PRODUCT ROADMAP

Following the new product release, we have six products in market, constituting a complete suite in the face range and the commencement of both the body (magnesium) range with two products and the salt range with the first product released in that suite.

With these signature products, there is significant momentum to leverage and build upon for future releases and strong sales momentum.

MARKETING UPDATE

In the period October to December 2017, website traffic doubled to 3,300. Our Facebook following increased by more than 1,000% from 22 to 232, while our Instagram following also jumped sharply from 91 to 1,149. This level of brand interaction and interest was sparked through blog articles and vlogs in December, active promotion via follow up social media posts and the successful launch of our exciting new consumer website www.abundantnaturalhealth.com.

ABUNDANT PRODUCE LIMITED
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Abundant Seeds (AS)

SALES UPDATE

Sales achieved for the branded seed lines reached \$17,285, and for other seeds \$13,421. This was enhanced with the acquisition and employment of dedicated Sales and Operations Manager, Sarah Pearson. Although this was behind original budgets and projections due to the long lead time from initial engagement to sales, the company is pleased with these initial successes.

SEED PRODUCTION

Quality seeds have been produced and are currently being prepared for shipping back to Australia, with a focus on male seeds for mini cucumber varieties and an increase in the Lebanese variety ACL 516. Once disease packaging is complete, production and increase of seed numbers will be assisted by impending crop production at AS's research facility in Cobbitty.

DOUBLE HAPLOID BREEDING

Implementation of new Phenome One Breeding software will support and improve all stages of the breeding process, from crossing to selections to evaluations. In line with this, database construction is almost complete, with estimated changeover happening in the first week of February. This breeding software underpins our Double Haploid programme and will assist in its progression to world-class standard.

Significant Events since Balance Sheet Date

No matters have arisen since 31 December 2017 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 5.

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



Graham Brown
Chairman

Dated this 28th day of February 2018

**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

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 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

Dated: 28 February 2018

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ABUNDANT PRODUCE LIMITED
ACN 606 255 887
AND CONSOLIDATED ENTITIES

**Consolidated Statement of Profit or Loss and
Other Comprehensive Income for the half year
ended 31 December 2017**

		Half-year ending	
	Note	31 Dec 2017	31 Dec 2016
		(\$)	(\$)
Revenue	2	390,764	63,745
Cost of Sales		(159,645)	(91,800)
Gross Profit/(loss)		231,119	(28,055)
Other revenue		5,752	4,117
Consultancy expense		(318,768)	(149,023)
Directors remuneration		(120,000)	(158,774)
Depreciation and amortisation expense		(142,903)	(104,149)
Employee costs		(185,855)	(25,370)
Rent expense		(32,161)	(44,980)
Finance costs		(522)	(380)
Cucumber seeds written-off		(162,925)	(50,927)
Research costs written-off		(139,149)	(136,976)
Other expenses		(244,461)	(101,894)
(Loss) before income tax		(1,109,874)	(796,411)
Income tax benefit		-	240,123
(Loss) after income tax		(1,109,874)	(556,288)
Earnings per share:			
Basic and diluted (loss) per share		(2.2 cents)	(1.2 cents)

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
AND CONSOLIDATED ENTITIES

Consolidated Statement of Financial Position
as at 31 December 2017

	Note	31 Dec 2017	30 Jun 2017
		(\$)	(\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,269,210	1,123,276
Trade and other receivables		253,313	380,316
Inventories		686,382	527,362
TOTAL CURRENT ASSETS		4,208,905	2,030,954
NON-CURRENT ASSETS			
Property, plant and equipment		269,760	349,133
Intangible assets		683,543	747,073
TOTAL NON-CURRENT ASSETS		953,303	1,096,206
		5,162,209	3,127,160
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		238,967	412,449
TOTAL CURRENT LIABILITIES		238,967	412,449
TOTAL LIABILITIES		238,967	412,449
		4,923,242	2,714,712
NET ASSETS			
EQUITY			
Contributed equity	6	8,329,627	5,011,223
Accumulated losses		(3,406,385)	(2,296,511)
TOTAL EQUITY		4,923,242	2,714,712

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

ABUNDANT PRODUCE LIMITED
ACN 606 255 887
AND CONSOLIDATED ENTITIES

**Consolidated Statement of Changes in Equity
for the Half Year ended 31 December 2017**

	Contributed equity	Accumulated losses	Total
	(\$)	(\$)	(\$)
Balance as at 1 July 2016	5,011,223	(1,047,790)	3,963,433
Profit 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
Balance as at 1 July 2017	5,011,223	(2,296,511)	2,714,712
Loss for period	-	(1,109,874)	(1,109,874)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(1,109,874)	(1,109,874)
Transactions with owners in their capacity as owners:			
Shares issued during the period net of costs	3,318,404	-	3,318,404
Balance as at 31 December 2017	8,329,627	(3,406,385)	4,923,242

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

ABUNDANT PRODUCE LIMITED
ACN 606 255 887
AND CONSOLIDATED ENTITIES

Consolidated Statement of Cash Flows
for the Half Year ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	(\$)	(\$)
Cash flows from operating activities		
Cash receipts from customers	89,435	35,160
Payments to suppliers and employees	(1,146,387)	(391,137)
Interest received	5,752	4,116
Net cash outflow from operating activities	(1,051,200)	(351,861)
Cash flows from investing activities		
Payments for property, plant & equipment	-	(273,627)
Payments for research & development	(121,270)	(204,437)
Cash flows from investing activities	(121,270)	(478,064)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	3,318,404	-
Net cash inflow from financing activities	3,318,404	-
Net (decrease) in cash and cash equivalents	2,145,934	(829,925)
Cash and cash equivalents at the beginning of the half-year	1,123,276	2,511,717
Cash and cash equivalents at the end of the half-year	3,269,210	1,681,792

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

ABUNDANT PRODUCE LIMITED
ACN 606 255 887
AND CONSOLIDATED ENTITIES

Notes to the Financial Statements
for the Half Year ended 31 December 2017

Note 1—Basis of Preparation of Half-Year Report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 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 2017, together with any public announcements made during the following half-year.

These interim financial statements were authorized for issue on 28 February 2018.

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 2017, the Group incurred a loss before tax of \$1,109,874 and had net cash outflows from operating activities of \$1,051,200 as disclosed in the statement of profit or loss and other comprehensive income and statement of cash flow respectively.

After two capital raisings totaling \$3,318,404 net of costs during the period, the Group has \$3,269,210 in cash at the end of 31 December 2017 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 and 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
AND CONSOLIDATED ENTITIES

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 2017.

Note 2—Revenue

	Half-year ending	
	31 December 2017	31 December 2016
	\$	\$
Revenue		
Seed Sales	30,706	37,325
Gain on Initial recognition of Seeds	225,997	25,709
Cosmetic Product Sales	130,580	-
Other income	3,481	711
Total	390,764	63,745

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
AND CONSOLIDATED ENTITIES

Notes to the Financial Statements
for the Half Year ended 31 December 2017

Note 5—Operating Segments

Identification of reportable segments

The Directors consider the Group to have two core businesses being Natural Beauty products and Seeds. The Group operates in one geographical location, being Australia.

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

	Natural Beauty Products	Seeds	Total
	(\$)	(\$)	(\$)
Revenue	130,580	256,703	387,283
Other Income	-	3,481	3,481
Segment Net (loss) before Tax	(172,947)	(575,059)	(748,006)
Corporate Charges			(361,868)
Finance Costs			-
Net (loss) before tax			(1,109,874)

Note 6— Contributed Equity

(a) Share Capital

	Note	As at 31 December 2017	As at 30 June 2017
		(\$)	(\$)
Ordinary Shares (30 June 2017)			
Fully paid shares	(b)	8,329,627	5,011,223

(b) Movements in Ordinary Share Capital

	As at 31 December 2017	As at 30 June 2017	As at 31 December 2017	As at 30 June 2017
	\$	\$	No:	No:
At the beginning on reporting period	5,011,223	5,011,223	46,500,000	46,500,000
16 October 2017 (Placement)	2,634,300		6,585,750	
7 December 2017 (Placement)	728,700		1,821,750	
Less Transaction Costs	(44,596)			
Closing Balance	8,329,627	5,011,223	54,907,500	46,500,000

ABUNDANT PRODUCE LIMITED
ACN 606 255 887
AND CONSOLIDATED ENTITIES

Notes to the Financial Statements
for the Half Year ended 31 December 2017

Note 7 —Contingent Liabilities

The Group does not have any contingent liabilities as at 31 December 2017.

Note 8—Events Occurring after the Balance Sheet Date

No matters have arisen since 31 December 2017 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 2017 there were no significant changes to the related party transactions to those disclosed in the 30 June 2017 annual report

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 2017 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 2018.

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

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Abundant Produce Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the 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.

Directors' Responsibility for the Half-year Financial Report

The directors of Abundant Produce Limited 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Abundant Produce Limited's financial position as at 31 December 2017 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Abundant Produce Limited, 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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**ABUNDANT PRODUCE LIMITED
ABN 46 606 255 887
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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 interim financial report of Abundant Produce Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Abundant Produce Limited's financial position as at 31 December 2017 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.

H M Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney, NSW 2000

G Webb

GRAHAM WEBB

Partner

Dated: 28 February 2018