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A close-up photograph of several green vegetables, likely cucumbers and zucchini, showing their ridged skin and stems. The image is partially obscured by a diagonal white bar.

abundantproduce

BREEDING THE WORLD'S BEST VEGETABLE SEEDS

ASX: ABT

INVESTOR PRESENTATION

April 2016

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Abundant Produce Ltd



Abundant
Produce Ltd
(ASX: ABT)
joining the ASX
in April 2016



Raised \$3.5m
via IPO to
commercialise
technology and
fund growth

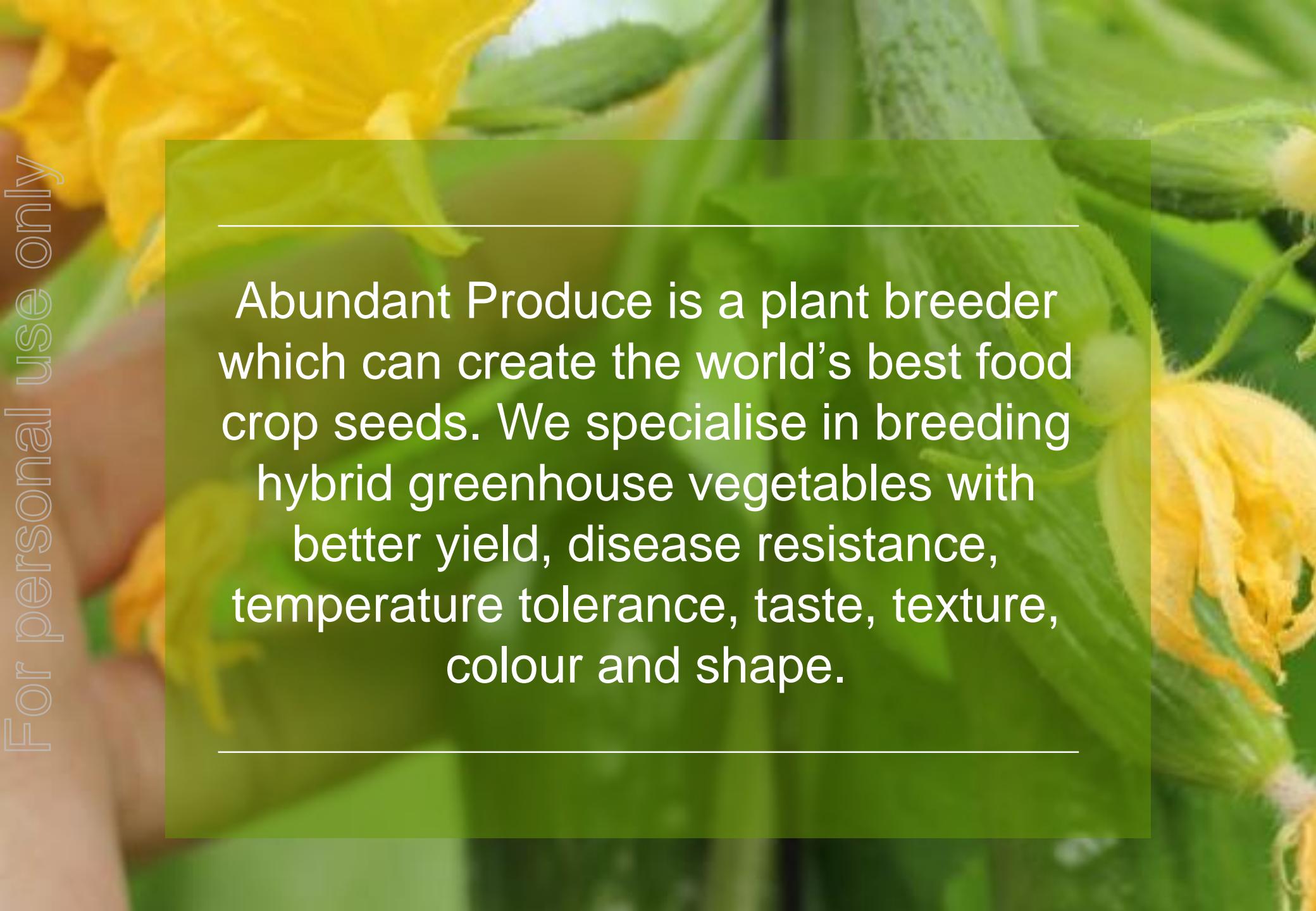


Australia's
only listed
agricultural
IP royalty
company



Indicative market
capitalisation
of \$9.3 million
at 20 cents
per share



A close-up photograph of a plant, likely a squash or similar leafy vegetable. The image shows large, vibrant green leaves with some yellowing at the edges and several bright yellow flowers in various stages of bloom. The lighting is natural, highlighting the textures of the leaves and the delicate petals of the flowers.

Abundant Produce is a plant breeder which can create the world's best food crop seeds. We specialise in breeding hybrid greenhouse vegetables with better yield, disease resistance, temperature tolerance, taste, texture, colour and shape.

Investor highlights



Ethical, non-GM exposure to the large, high-growth global food crop seed market



Multiple avenues to revenue and earnings growth with a strong pipeline of high-margin products that offer global distribution potential



Leveraging a strategic alliance with the University of Sydney



Lean corporate structure with highly experienced board and management team



The global seed market

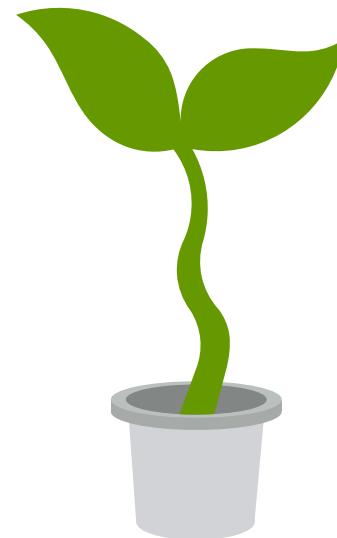


The global market for fruit and vegetable seeds, worth US\$6.3 billion in 2012, is projected to exceed \$12.9 billion by 2018, growing at a compound annual rate of 12.8%¹

1: MarketsandMarkets, 2013



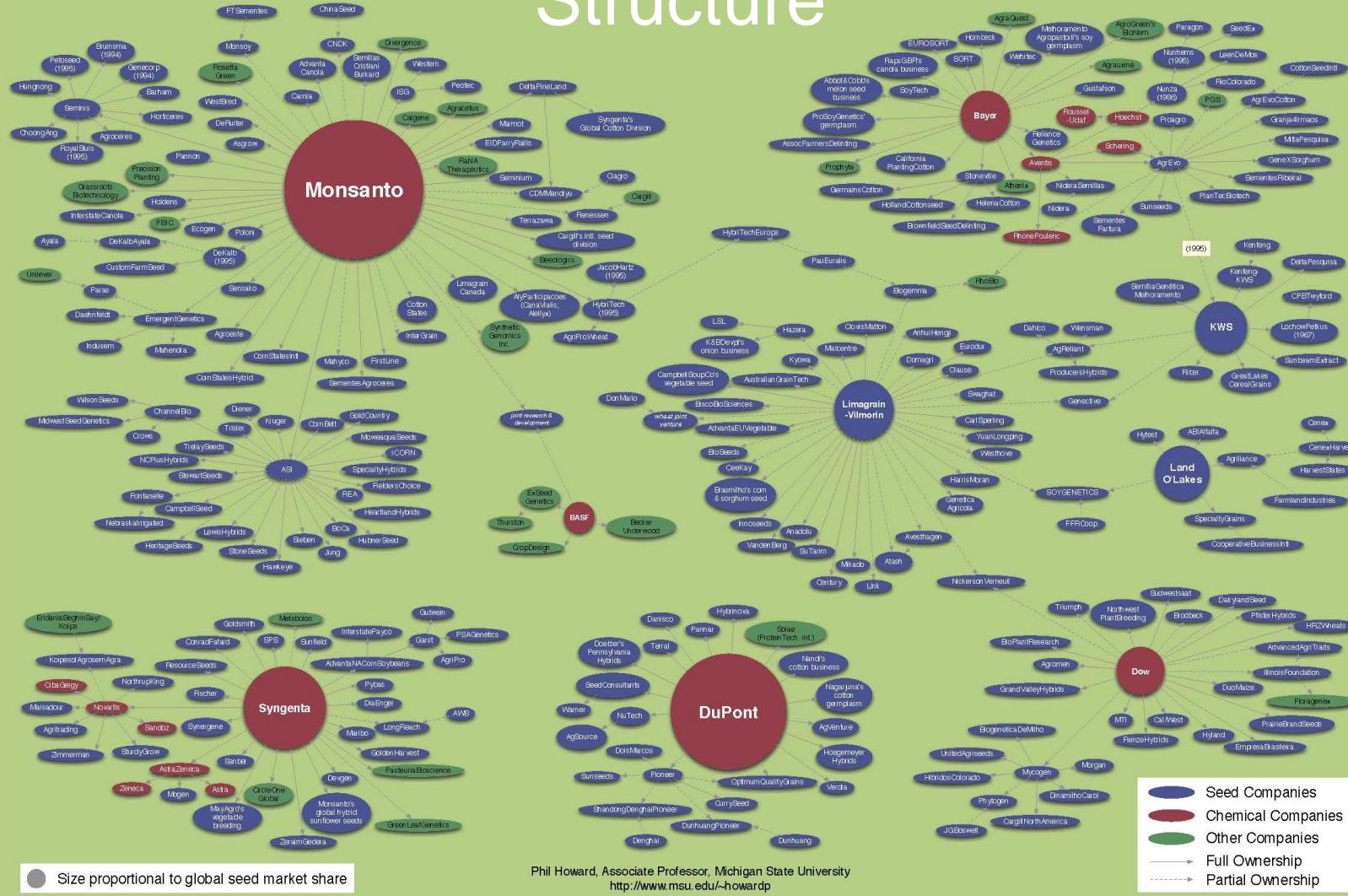
Industry dominated by large conglomerates like Monsanto, DuPont and Syngenta, with consolidation a major feature — the majors tend to buy innovation rather than breed it



Most vegetable seed varieties sold by these large players are designed to grow in state-of-the-art greenhouses — despite low tech environments representing more than 75% of global production



Seed Industry Structure



Phil Howard, Associate Professor, Michigan State University
<http://www.msu.edu/~howardp>

abundantproduce

A distinguished offering and unique value proposition

Abundant Produce chooses not to compete directly with the multinational seed giants by selling seed; rather, by working with the big IP houses to develop innovative products that do well in both low and high-tech conditions



Seed breeding program has begun with cucumbers and tomatoes. Other high-value vegetables to follow, including eggplant, capsicum and zucchini

Abundant Produce addresses a large unmet need for seeds that perform exceptionally well and maximise yield in harsh, arid, infertile environments with extreme weather



A clear competitive advantage

-  Five years' experience breeding new varieties of vegetables in partnership with the University of Sydney's Plant Breeding Institute
-  Close ties with the University provide access to advanced research facilities while retaining IP
-  Hybrid seed development provides a natural method of IP protection
-  Early commercial trial feedback very positive, yielding a significantly higher proportion of A-grade fruit



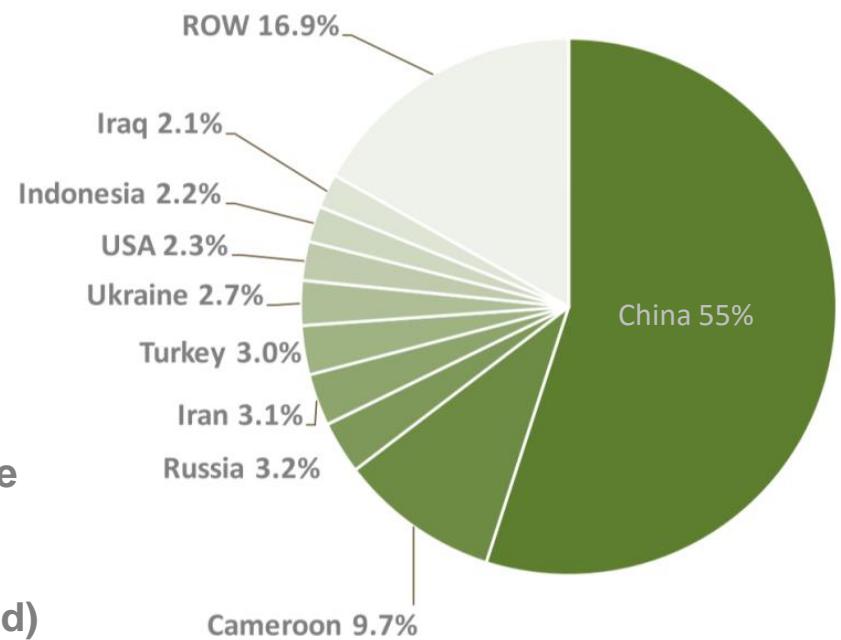
Currently targeting the attractive cucumber market

- Positive dynamics in the cucumber market: short cropping cycle, buoyant demand and high margins for the seed IP holder
- Australian market for cucumbers estimated at 21.6 million seeds per annum². Prices are high: from US\$0.25 up to around US\$0.80 per seed
- Annual cucumber demand from the Middle East is around 600 million seeds at between US\$0.03 and US\$0.10 per seed
- China is by far the world's largest producer, harvesting 54 million tonnes of cucumbers in 2014. China represents huge potential volumes at lower price points (around US\$0.015/seed)



²: Terranova Seeds, 2012

Countries ranked by area of land under cultivation of cucumbers for 2010



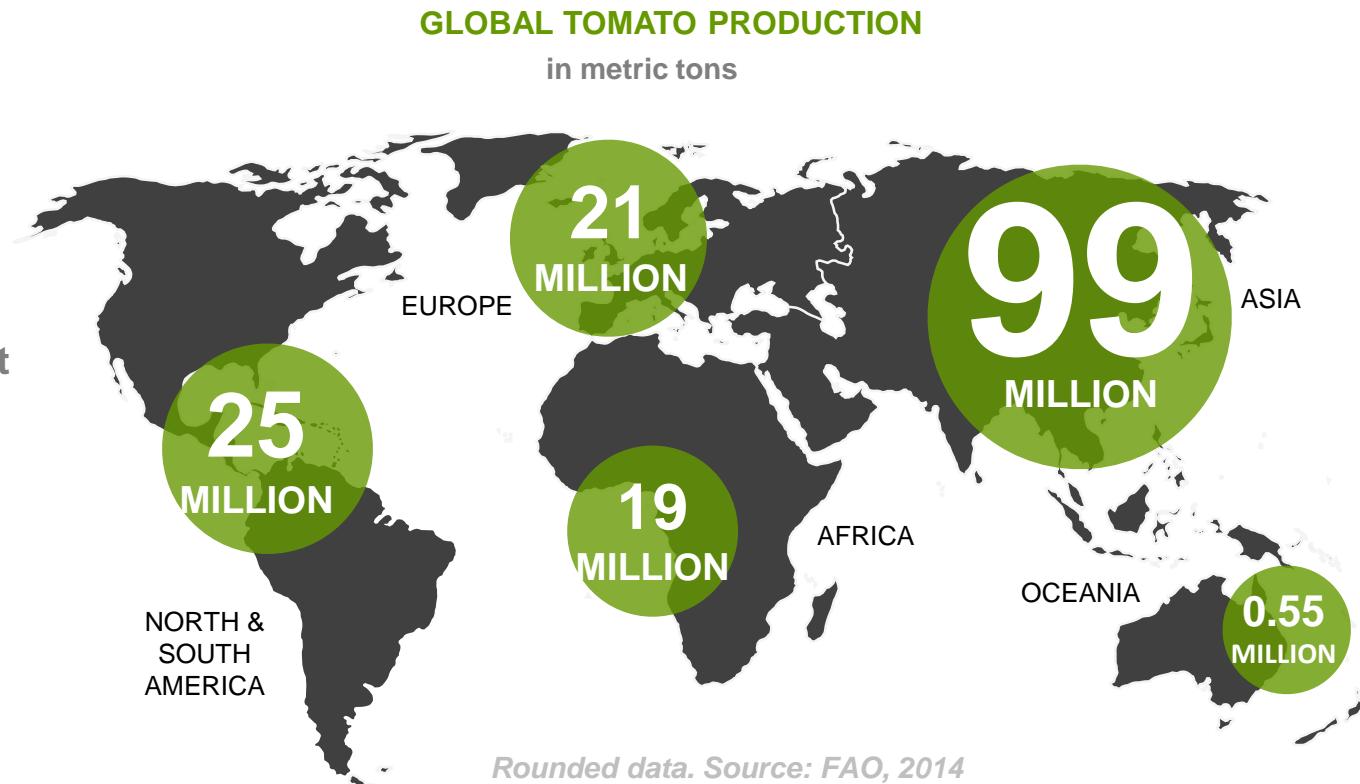
Next targeting the attractive tomato market

There are more tomatoes consumed throughout the world than any other vegetable³. China and India together account for more than one third of the world's tomato crop. The Australian tomato market is estimated at almost 120 million seeds⁴

An emotional market that invokes higher consumer requirements

3: Limagrain, 2016

4: FAO, 2013



Marketing Strategy

1

Currently pursuing first formal partnership with international seed company to secure a distribution agreement covering Europe, the Middle East and the US

2

A range of fresh produce marketing companies and second-tier seed distribution companies are trialling Abundant Produce's cucumber seeds

3

Revenue is flowing from commercial cucumber seed sale arrangements with several high-profile customers

4

As Abundant Produce will not seek to multiply or market seeds, it can keep costs low and maintain a lean corporate structure



The path to value creation

- Abundant Produce competes on quality, not price, and plans to gain market share by offering customers higher yields and better quality
- Targeting growing areas that are rich in greenhouses where energy costs are high and extreme weather prevalent: Australia, Mexico, Middle East



- Company has secondary interests in plant nutraceuticals that permit research into essential oil plants, and will seek further valuable plant IP
- Strong ethical program through several charitable works projects



The path to value creation

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Employ Marketing Manager			x					
Full implementation of marketing strategy			x	x	x	x	x	x
Development of distribution network	x	x	x	x	x	x	x	x
Expansion of greenhouse facilities	x		x				x	
Final trials of cucumber candidates		x						
Results from cucumber trials			x					
Expanded production of cucumber seed for domestic market	x		x					
Completion of first hybrid tomato trial	x							
Domestic third party trials			x	x	x			
Further development of tomato lines	x	x	x	x	x	x	x	x
Second and third tomatoes hybrid trial				x		x		
Results of tomato trials						x		
Ongoing development of eggplant, capsicum, zucchini lines	x	x	x	x	x	x	x	x



Recent independent plant breeder transactions

1

INDIA: BAYER CROPSCIENCE ACQUIRES VEGETABLE SEED COMPANY

Source: FreshPlaza, February 2015

2

US: HM.CLAUSE reinforces leadership in vegetable seeds with acquisition of Genica Research Corporation

Source: PRWeb, February 2016

3

AFRICA: ACQUISITION OF SEEDCO BY MONSANTO, GROUPE LIMAGRAIN

Source: AFSA, October 2014

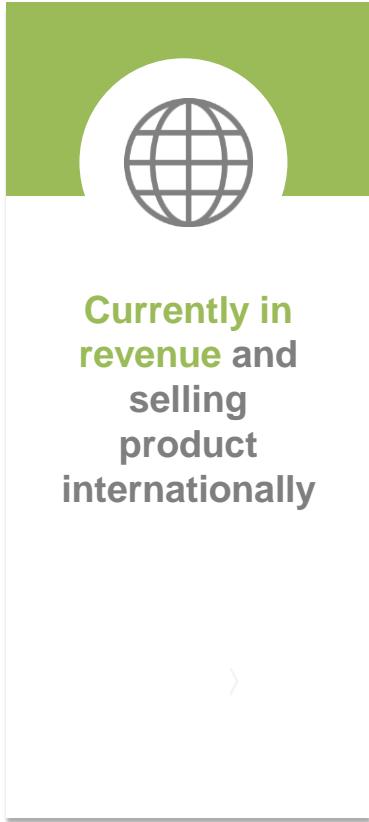


1: <http://www.freshplaza.com/article/140799/India-Bayer-CropScience-acquires-vegetable-seed-company>

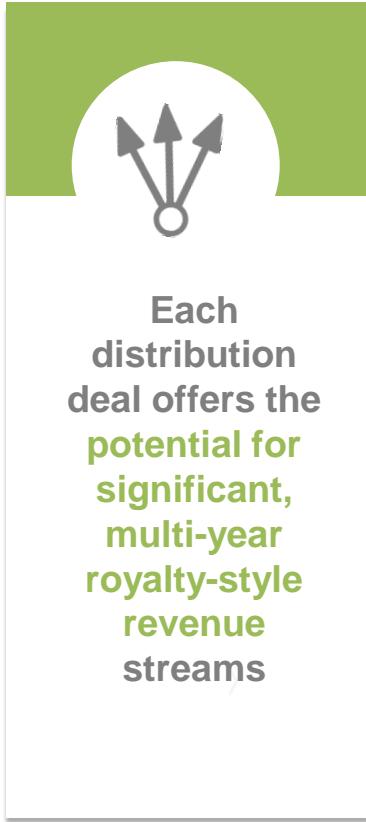
2: <http://www.prweb.com/releases/2016/02/prweb13191964.htm>

3: <http://afsafrica.org/acquisition-of-africas-seedco-by-monsanto-groupe-limagraineo-colonial-occupation-of-africas-seed-systems/>

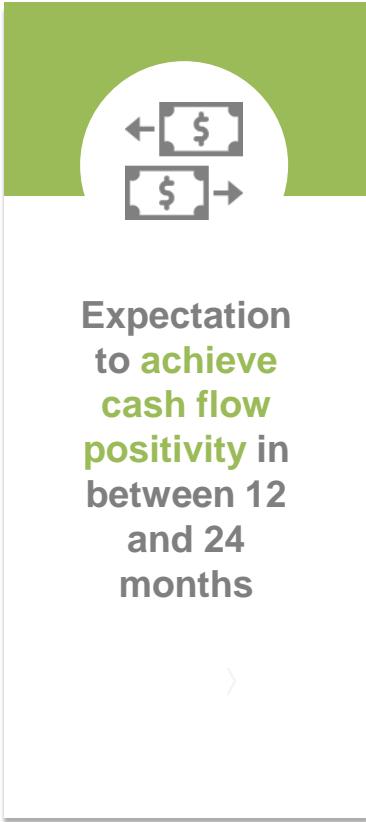
Financial highlights



Currently in revenue and selling product internationally



Each distribution deal offers the potential for significant, multi-year royalty-style revenue streams



Expectation to achieve cash flow positivity in between 12 and 24 months



The Australian Government's R&D tax incentive scheme should matching Abundant Produce spends



Low overheads should constrict cash burn



Comparables

				FY15	FY15	FY16	FY17
Company	Code	Market cap (A\$m)	EV (A\$m)	EBITDA (A\$m)	Trailing EV/EBITDA	EV/EBITDA	EV/EBITDA
Costa Group Holdings	ASX: CGC	925	1,472	65.3	22.5	17.5	15.1
A2 Milk Company	ASX: A2M	1,216	1,183	2.8	424.0	28.0	15.6
Clover Corporation	ASX: CLV	72	73.5	0.6	122.5	n/a	n/a
Sakata Seed Corporation	TYO: 1377	1,609	1,455	77.4	18.8	14.0	12.4
S&W Seed Company	NASDAQ: SANW	80	127	9.8	13.0	20.7	19.1
				Average	120.2	20.0	15.6
				Median	22.5	19.1	15.4

Source: Reuters and broker forecasts as at 31/3/16



Transaction structure and commitments schedule

Capital structure

The capital structure of the Company following completion of the Offers and the Acquisition is summarised below:

	Maximum subscription Shares	Proportion (%)
Shares on issue at date of Prospectus	4,000,000	8.60
Shares to be issued to Abundant Vendors	25,000,000	53.76
Shares to be issued under the Public Offer	17,500,000	37.64
Total Shares on completion of the Offer	46,500,000	100.00

Substantial Shareholders

Shareholder	Maximum Subscription	
	Shares	Proportion (%)
Top Cat Consulting Services Pty Limited	6,900,115	14.84
Austratronics Pty Limited	6,095,085	13.11
Oak Capital Limited	4,000,000	8.60
Floraquest Pty Limited	3,073,302	6.61
Total substantial Shareholders	20,068,502	43.16
Other Shareholders	24,431,498	56.84
Total Shareholders	46,500,000	100.00

More than one third of company
owned by staff and management

Use of Funds	Amount	%
Cash expenses associated with the Public Offer	301,128	8.60%
Scaling up seed production	400,000	11.43%
Complete commercial trials of current cucumber varieties	250,000	7.15%
Complete breeding, hybridisation and trials of tomatoes	650,000	18.57%
Marketing management	300,000	8.57%
Distribution management	200,000	5.71%
Ongoing research, development and management	550,000	15.71%
Debt and creditor repayment	310,871	8.89%
Working capital	732,175	15.37%
	3,500,000	100.00%



Talented board and management team



Vince Logan
Non-Executive Chairman

Chairman Vince Logan has more than 18 years' experience commercialising agriculture research. Vince has worked with the Grains Research & Development Corporation (GRDC) to establish a number of wheat breeding and trait businesses.



Tony Crimmins
Interim CEO

Executive director and interim CEO Tony Crimmins has helped to develop a number of start-up businesses currently listed on the ASX, including BluGlass Ltd (ASX: BLG) and Jatenergy Ltd (ASX: JAT). Tony spent six years working as an environmental engineer and business development manager in Asia and is fluent in Mandarin.



Graham Brown
Research Manager

Executive director and research manager Graham Brown has more than 20 years' experience in plant product development for domestic and international markets. As a wheat breeder with the University of Sydney, he has specialised in developing high-quality, disease-resistant varieties of wheat.



Adam Hajek
Chief Operating Officer

Adam Hajek is an executive in the commercial property essential maintenance industry. He has more than 20 years' experience as an electronic engineer and financial controller, and is managing director of Austratronics Pty Ltd, an essential services installation and maintenance business.



Dr Nabil Ahmad
Research Scientist

Chief Research Scientist Dr Nabil Ahmad is an internationally experienced agricultural research coordinator. His doctoral studies at the University of Sydney involved the rapid development of improved drought tolerant hybrid varieties of Australian native grasses and grass-like plants. Nabil developed the first breeding program for F1 hybrid cucumbers in Australia.



A visible path to shareholder value creation

Australia's only listed agricultural IP royalty company

Five years of R&D has led to a strong pipeline of attractive, high-margin products with global distribution potential

ABT scheduled to list on the ASX in April 2016 at 20c per share

Raised \$3.5 million in oversubscribed offer



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