

abundantproduce

Company update and Appendix 4C – quarterly operational report

ASX Announcement
31 October 2017

September Quarter Highlights

- **Launch of Chinese Brand name and registered trade-mark.**
- **Further ANH product sales.**
- **Commercialisation of tomatoes: sales of vegetable seeds commence**

Subsequent to September Quarter End

- **Oversubscribed capital raising, and expected December quarter R&D refunds and EMDG grants, add to our cash balance.**

The board is pleased to provide its first quarterly report for the financial year ending June 2018. Crucially, outlays for the quarter were kept to a minimum despite the substantial costs associated with R&D and commencing production of ANH products.

In July, ANH successfully registered the trademark for Abundant, 雅达 in China, reflecting a primary target market for the company's products: China's aspirational middle class. 雅达, pronounced 'Ya da', translates to English as 'elegant and demure'. The trademark is a key facet of ANH's strategy for establishing brand presence in China and selling offline through traditional distribution channels, in addition to online sales.

The board is pleased to announce that, following successful ANH pre-sales of \$60,000, further sales in excess of \$40,000 were made in the September quarter. It should be noted that the accompanying figures for the September quarter do not reflect these sales, the cashflows from which are expected to occur in the December quarter. Our strong belief is that ANH will provide a valuable source of revenue for the company over the next few years and allow us to expand dramatically.

Currently the main focus for ANH is to prepare for the massive Chinese retail event called "11/11" or "Singles Day". We are already well positioned on TMall (on Woolworths' Tmall Flagship store) and Weibo with strong endorsements from high visibility bloggers set to drive brand awareness and sales. We recently launched a refreshing new ANH consumer website to entice and inform potential buyers. Visit www.abundantnaturalhealth.com

Commercialisation of tomato seeds also commenced during the quarter with sales exceeding \$30,000. These sales were also on an accruals basis with cashflows expected during the current quarter.

We would like to thank existing and new shareholders for their continued support, as reflected by the oversubscribed capital raising in October. We have issued 6,975,000 at \$0.40 per share raising



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\$2,790,000 and will seek shareholder approval at the AGM to issue a further 1,275,000 shares to raise another \$510,000. These funds will be used to support sales and marketing efforts for ANH. In the December quarter we also expect to receive an R&D refund in excess of \$150,000 and Export Market Development Grants in the vicinity of \$60,000.

We would like to take this opportunity to welcome both Shanan Birkin (CEO of ANH) and Sarah Pearson (Abundant Seeds, Sales and Operations Manager) to their new positions.

The company has also appointed Jayne Gerrie to assist with investor relations, and StocksDigital to build our shareholder base and increase our presence in the wider investor marketplace. StocksDigital is a leading Australian digital investor relations agency, specializing in boosting market recognition for small cap companies.

As the following list of business development announcements released to the ASX since June 2016 illustrates, ANH constitutes a major area of activity and opportunity for ABT. We invite shareholders to stay informed as we anticipate another year of exciting business developments.

25/09/2017	Chinese Market Launch of ANH Products	ANH
06/09/2017	Product Launch of Tomato Infusion Lips Alive	ANH
21/07/2017	Tomato Varieties Enter Commercialisation Phase	AS
06/07/2017	Chinese Brand Launch and Presales	ANH
19/06/2017	Global Distribution Agreement	AS
13/04/2017	Tomato Infusion Product Launch	ANH
22/11/2016	Seed Production & Sales Update/Hendrick's Promotion	AS
04/10/2016	Abundant launches new Lebanese Cucumber varieties	AS
01/09/2016	Abundant Seeds Future Growth	AS

For more information, please contact:

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Chief Executive Officer

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About Abundant Produce Ltd

Abundant Produce Ltd (ASX: ABT) develops agricultural intellectual property, creating superior seeds and now 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 crops that thrive in low-tech conditions.

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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 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year To Date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6	6
1.2 Payments for		
(a) research and development	(91)	(91)
(b) product manufacturing and operating costs	(44)	(44)
(c) advertising and marketing	(6)	(6)
(d) leased assets	-	-
(e) staff costs	(17)	(17)
(f) administration and corporate costs	(302)	(302)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	161	161
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(287)	(287)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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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)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(3)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,124	1,124
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(287)	(287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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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	-	-
4.6	Cash and cash equivalents at end of quarter	834	834

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	834	1,124
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	834	1,124

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**

37

-

Consulting fees only paid during the quarter – no directors' fees were paid

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. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	100
9.2 Product manufacturing and operating costs	250
9.3 Advertising and marketing	5
9.4 Leased assets	-
9.5 Staff costs	65
9.6 Administration and corporate costs	100
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	520

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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		

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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:

Date: 31 October 2017
(Director)

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.