

MARCH 2020 QUARTERLY REPORT

Overview

Fast-tracked hand sanitiser product development in response to the coronavirus offset disruptions to the launch of the Ocean Soothe product range, resulting in increased March Quarter sales. Together with the impact of cost-saving measures initiated during the previous quarter, this led to a \$126,000 improvement in operating cashflows. Including a tax return of \$535,000 received in March, net cash from operating activities improved by \$661,000 to a shortfall of \$26,000 (which compares with a December 2019 quarter shortfall of 684,000). The Administration and Corporate costs spend includes costs with the release of the Magnesium lotion, purchasing of packaging and chemical required for the Safe Hands range, packaging and ingredients for new Element dose and deposits for production in the USA. Associated costs include trademarks and licensing fees.

On 27th March, the Company was pleased to announce the appointment of Mr. Antonio Meroni to the Board of ABT. Mr. Meroni is the CIO and Fund Manager for Pengana Asia Special Events Fund with over 28 years' experience in financial markets in Singapore, Tokyo, Zurich, Milan and London. He has a business degree from KV Zurich Business School and is a Chartered Financial Analyst. Ms. Seona Wallace resigned as a Director of ABT, effective 31st March 2020 and the Board of ABT thanks Ms. Wallace for valuable input throughout her tenure as a Director.

ABUNDANT NATURAL HEALTH (ANH)

In January, Australian Wholesaler groups agreed to distribute the Ocean Soothe psoriasis range within its network of over 4,000 pharmacies, an. The launch and initial rollout was heavily impacted by the coronavirus pandemic, including the cancellation of the 30th annual Australian Pharmacy Professional Conference & Trade Exhibition (the biggest event on the Australian pharmacy industry calendar) in March. Accordingly, pharmacy sales were down 18% on the December quarter but ANH and its distributors remain confident about the product range over the coming quarters and orders have commenced. Additional banner groups are evaluating the range for upcoming category reviews.

The United States rollout of ANH products including Ocean Soothe Gel and Ocean Soothe Lotion, together with pain relieving MAG I.C. Gel and MAG I.C. Spray was similarly delayed by the coronavirus. Also in March, but cancelled because of the pandemic, ANH had planned to exhibit at the world's largest natural, organic and healthy products trade show, Expo West in California. ANH management has nevertheless made progress with Californian production laboratories and Kansas logistics groups in preparation for A U.S. launch when circumstances permit.

In response to the coronavirus, the Company fast tracked the development of three hand sanitiser/ cleanser products and utilised digital channels to drive online sales which subsequently rose over tenfold compared with average online sales over the previous eight months. Management does not expect this sales level to continue (as hand sanitiser supply chains replenish supplies) but the revenue provided a valuable offset against sales disruptions to core products, and the increased digital presence is expected to provide ongoing benefits.

Further products are slated for release in the coming quarters but timing is uncertain and will be dependent on a range of coronavirus related factors.



ASX ANNOUNCEMENT

ABUNDANT SEEDS

The sale investigation process has been paused as the coronavirus impacts capital markets and business planning around the world. Management expects the process to resume mid to late in 2020. In the meantime, cost saving measures adopted during the previous quarter provide savings of approximately \$680,000 per annum, and cucumber sales to growers and distributors continue in Australia, the United Kingdom and Vietnam.

Section 6 of the new format of ASX appendix 4C requires disclosure in this activity report of any amount included in section 6. The amount included in line 6.1 of appendix 4C includes payment of directors' fees.

The release of this announcement was authorised by Tony Crimmins, CEO, on behalf of the Board.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

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ABN

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Quarter ended ("current quarter")

31 March 2020

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	304	830
1.2	Payments for		
	(a) research and development	-	(120)
	(b) product manufacturing and operating costs	(42)	(401)
	(c) advertising and marketing	(88)	(440)
	(d) leased assets	-	-
	(e) staff costs	(168)	(848)
	(f) administration and corporate costs	(563)	(1,102)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	535	535
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(23)	(1,550)

2.	Cas	sh flows from investing activities	
2.1	Pay	ments to acquire:	
	(a)	entities	-
	(b)	businesses	-
	(c)	property, plant and equipment	-
	(d)	investments	-
	(e)	intellectual property	-
	(f)	other non-current assets	-

ASX Listing Rules Appendix 4C (01/12/19)

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Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(10)	1,441
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	(10)	1,441

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,877	1,953
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(23)	(1,550)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	1,441
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,844	1,844

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	1,844	1,877
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)	1,844	1,877

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	28,500-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000	
7.1	Loan facilities	-	-	
7.2	Credit standby arrangements	-	-	
7.3	Other (please specify)	-	-	
7.4	Total financing facilities	-	-	
7.5	Unused financing facilities available at qu	arter end	-	
7.6	Include in the box below a description of each rate, maturity date and whether it is secured facilities have been entered into or are proposinclude a note providing details of those facilities.	or unsecured. If any addi sed to be entered into af	tional financing	
8.	Estimated cash available for future op	erating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (Item 1.9)		(23)	
8.2	Cash and cash equivalents at quarter end (Item 4.6)		1,844	
8.3	Unused finance facilities available at quarter end (Item 7.5)		-	
8.4	Total available funding (Item 8.2 + Item 8.3)		1,844	
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)		80	
8.6	If Item 8.5 is less than 2 quarters, please pro	vide answers to the follow	wing questions:	
	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?			
	Answer:			
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?			
	Answer:			
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?			
	Answer:			

Compliance statement

- 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.

Date:	30/04/2020
	[[[
Authorised by:	Tony Crimmins
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Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow 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 cash flow 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.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Tony Crimmins, Chief Executive Officer

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