

Wide Open Agriculture Ltd

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ASX Announcement 28 January 2021

QUARTERLY REPORT

Highlights:

- Sixth consecutive quarter of revenue growth (29% q-on-q) with AUD\$989,261 achieved for Q2
 FY21
- Significant breakthroughs and global, exclusive licence for commercialisation of food grade, lupin protein with a focus on entering the USD\$17.5 billion plant-based protein category
- Launched OatUP the world's first regenerative, carbon neutral oat milk with highly encouraging initial sales into the WA market and East Coast expansion plans underway.
- Successfully raised AUD\$9.2m via placement, SPP and conversion of options with \$14.3m cash balance
- Outlook for the coming quarter includes initial OatUP sales to the East coast of Australia and South East Asia, commercial pre-feasibility study for lupin protein plant and oat milk facility

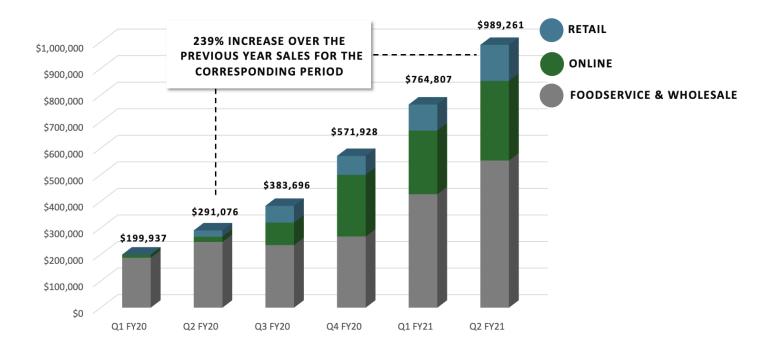
Wide Open Agriculture Limited (ASX:WOA) ("WOA" or the "Company"), is pleased to release its Appendix 4C cash flow statement for the three-month period ending 31 December 2020, which highlights a major commercial objective of achieving revenue just under AUD\$1m for a quarter and the significant corporate milestone of taking a product from concept-to-launch within a single calendar year.

Revenue Growth

WOA achieved its sixth consecutive quarter of revenue growth, with Q2 FY21 revenue increasing 29% to A\$989,261 over Q1 FY 2021 results. This represents a 239% increase over the previous year sales for the corresponding period and highlights the consistent demand from WOA's fast-growing customer base seeking regenerative, ethical food and beverages.

Dirty Clean Food (DCF) continued to solidify its presence as Western Australia's leading brand for regenerative and ethical food and beverages during the quarter. A number of successful product launches and continued diversification of DCF's product range, contributed to revenue growth across all sales channels. Online showed sustained growth even after WA's initial COVID-19 lockdown, with sales of A\$299,253 during the period. Sales to food service and cafes also remained strong, reaching A\$554,122 and retail sales rose by 38% to A\$135,887 as a direct result of DCF's increased presence in the retail sector.

Importantly, WOA's OatUP product only launched in late December 2020, meaning the majority of growth for this quarter came from the continued uptake of DCF's existing product base. The Company expects OatUP to add sequential growth to revenue across 2021.



In October, the Company successfully raised AUD\$7.0 million (before costs) from a number of existing shareholders, including a European impact-investment family office, along with multiple new institutional and high net-worth investors. The raise also introduced an Australian impact-focused institutional fund to WOA's register. An additional AUD\$1.5m was also raised via a Share Purchase Plan ("SPP").

The capital raised is currently being directed towards growth activities, including sales and marketing initiatives to grow the Company's revenue base and to expedite development of a pilot-scale lupin protein manufacturing facility and Oat Milk production facility in Western Australia. The funding will also be allocated towards OatUP's East Coast expansion and initial sales into South-East Asian markets. At this point in time, the Company is adequately funded to achieve all of our planned activities.





In November, a number of significant technical breakthroughs were achieved by Curtin University and CSIRO that will improve the commercialisation potential of WOA's plant-based protein business using Australian Sweet Lupin. These include, the first production of food grade lupin protein at pilot scale, successfully reducing a number of steps in the production process and confirmation of gelling capacity under a range of conditions.

Curtin University confirmed that a common variety of Australian Sweet Lupin can gelate with comparable and encouraging yields to the original experimental variety. This opens up wider supply opportunities to meet potential demand for lupin protein with the highest environmental credentials.

Shortly following these achievements, CSIRO's Food Innovation Centre successfully produced food-grade lupin protein isolate using industrial food processing equipment - potentially unlocking previous barriers for lupin to be used in new applications across a wide range of food and beverage applications. The food-grade lupin protein presented a 'neutral' taste which increases the opportunity to be included in a wide range of plant-based protein applications.

This marked an important milestone in the scale-up process, as it increases the commercial viability of the process and demonstrates the capability of producing commercial samples of lupin protein that can be sent to ingredient and consumer food companies in Australia and globally.





Following this milestone, WOA acquired the exclusive, global commercial licence for the proprietary modified lupin protein technology from Curtin University. The Licence Agreement provides WOA with an exclusive global licence that covers the patented method for creating a novel plant-based protein from Australian Sweet Lupin and its use as a plant-based protein food ingredient.

The food grade samples of lupin protein will be tested in a range of high-growth food applications including meat alternatives, plant-based milks and gluten-free pastas and noodles. The product development phase further positions WOA to enter USD\$17.5 billion plant-based protein market as a producer of both ingredient and value-added plant-based protein products. ¹



In alignment with the high sales period over the Christmas holidays, WOA launched the world's first regenerative, carbon-neutral oat milk - OatUP. The launch focused on the West Australian market and witnessed strong uptake in over 40 cafes, retailers and supermarkets including various IGA's, North Street Store, Bunbury Farmers Market, Williams Woolshed, Bowie Kitchen, Peaches Fresh Food Market, The Herdsman, Wholefoods Circus and The Floreat Market.

WOA also secured a prime distribution agreement with WA's leading speciality food and beverage distributor, European Foods, to market and sell OatUP across their extensive network of cafes, restaurants and supermarkets. Current demand indicates strong sales for this initial launch and additional production and shipments are currently underway to meet expected demand locally and for a nation-wide launch.

Being certified "Carbon Neutral" by Climate Active, the Australian government backed initiative for climate action, will ensure OatUP stands out and differentiates from competitors at the point-of-sale. This formal certification provides a true first-to-market opportunity targeting the growing AUD\$2.8bn p.a. plant-based milk category ¹.



EXPANSION OPPORTUNITIES FOR EAST COAST OF AUSTRALIA & ASIAN MARKETS JAPAN: 126M CYQ2 2021 CHINA: 1.4Bn Launch into Asian markets like Japan and Singapore who have a VIETNAM: 97M proven appetite for MALAYSIA: 32M WA oat products **INDONESIA: 273M** SINGAPORE: 5.8M CYO1 2021 Consolidate and grow **BRISBANE: 2.4M** local market share in WA PERTH: 2.1M SYDNEY: 5.0M CYO1 2021 **MELBOURNE:** 4.8M Penetrate new domestic markets with national launch stralian population figures – population.net.au | Asia population figures – Worldmeter Ites are only estimates are are subject to change

OatUP was conceptualised, developed, launched and achieved sales in under 12 months. It is the first shelf-stable product born from WOA's product innovation program launched in early 2020 to grow, diversify and de-risk the Company's revenue base.

The initial WA market launch is expected to bolster WOA's revenue in Q3 FY21, and there is a significant commercial opportunity to capture local market share in WA, launch in Australia's Eastern states and penetrate South-East Asian markets like Japan and Singapore, who have proven demand for WA oats and their value-added products.

For more information about our OatUP product please visit the website - www.oatup.com.au



Dirty Clean Food (DCF) once again reported record sales across every segment line including food service, retail and online. Online showed sustained growth after WA's initial COVID-19 lockdown, which demonstrates our retention of new customers and increased frequency of orders.

The introduction of pasture-raised, regenerative chicken was met with very strong demand and a number of successful launches helped expand DCF's product range, including vegetables, fruit and Christmas hams. DCF is also planning to execute a number of social and traditional marketing activities in early 2021 to increase customer acquisition and sales.

WOA also restructured and built a new executive team including Jay Albany becoming CEO of Dirty Clean Food. Mr Albany most recently ran corporate strategy at Max Delivery and MyFreshGrocer, a



growing New York-based online grocery company with revenue of USD\$30m p.a. Mr Albany will now focus on building DCF into a nationally recognised brand, expanding market geographies and increasing revenue.

Tim Whyte was promoted as the company's Chief Financial Offer in January 2020. Mr Whyte is a Chartered Accountant previously working in Ernst and Young's Transaction Advisory and Audit teams. Most recently, Tim was a Commercial Manager with one of Australia's largest, vertically-integrated agribusinesses. Both Tim and Jay have already begun working to improve DCF's operational metrics in preparation of achieving future profitability.

Product Strategy Executive, Miranda Stamps, also recently joined WOA's Executive Team as Chief Operating Officer. Ms Stamps will be instrumental in operationalising and implementing WOA's growth strategy. Prior to joining WOA, Miranda led multiple and diverse teams that successfully built a fast-growing education technology company valued at USD\$300m.



Wide Open Agriculture met requirements of the Climate Active Carbon Neutral Standard for organisations and was certified as Carbon Neutral. WOA can now use the certification trademark for its Australian business operations. The certification also gives the company membership to the Climate Active Network (CAN), an organisation made up of businesses leading voluntary action on climate change.

WOA is targeting four mechanisms to tackle accelerating climate change including;





Outlook

Across 2021, WOA will continue to consolidate and grow local market share in WA and launch OatUP into new states and territories across Australia. Sales and marketing activities are expected to increase online traffic and grow our B2B customer base. The Company will also enable more ethical, regenerative food brands to use Dirty Clean Food as a sales platform.

More specific milestones for this quarter can be found in the chart below;



- Continue to grow and diversify revenue streams.
- Continue the expansion of DCF product lines.
- Launch social and traditional marketing campaign to expand WA brand and product awareness.
- Expand Australian distribution network with initial sales to South East Asia.
- Launch marketing campaign to grow OatUP brand awareness and promote customer engagement.
- Complete pre-feasibility study with 30% + or CAPEX and OPEX forecast for commercial oat milk facility in WA.
- Use food-grade samples for early stage commercial product development.
- Provide food-grade samples to select groups of global food companies with a focus on plant-based proteins.
- Complete pre-feasibility study with 30% + or CAPEX and OPEX forecast for pilot and commercial facility.

Cash position

Wide Open Agriculture Ltd's cash position at 31 December 2020 was AUD\$14.3m. The company is adequately funded to continue its current activities during these uncertain times and will continue to demonstrate appropriate fiscal restraint.

During the quarter, payments for Research and Development of AUD\$0.034m represented costs involved with the development of the Company's novel plant-based protein (lupin protein).

Payments for Product Manufacturing and Operating Costs represent costs associated with manufacturing Dirty Clean Food beef, lamb and other products.

Payments for Advertising and Marketing represent costs associated with marketing the Company's Dirty Clean Food brand.

Payments for Staff Costs represent salaries for administration, sales, distribution and general management activities.



Payments for Administration and Corporate Costs represent general costs associated with running the Company, including ASX fees, legal fees, rent, etc.

Proceeds from issues of equity securities relates to the Company's recent capital raise and options exercised by employees.

The aggregate amount of payments to related parties and their associates included in the current quarter Cash flows from operating activities were AUD\$0.035m comprising Directors fees, salaries and superannuation.

Cash outflows for the quarter were in line with management expectations. The cash balance at 31 December 2020 amounted to AUD\$14.3m. Please refer to the attached Appendix 4C for further details on cash flows for the quarter and subsequent events outlined below.

This announcement has been authorised and approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

[ENDS]

For investor, media or other enquiries please contact:

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About Wide Open Agriculture Ltd

Wide Open Agriculture (WOA) is Australia's leading ASX-listed regenerative food and agriculture company. The Company's innovative Dirty Clean Food brand markets and distributes food products with a focus on conscious consumers in Australia and South-East Asia. Products are chosen based on their market potential and the positive impact they deliver to farmers, their farmland and regional communities. The company is based in the Wheatbelt of Western Australia. WOA operates under a '4 Returns' framework and seeks to deliver measurable outcomes on financial, natural, social and inspirational returns.

WOA is listed on the Australian Securities Exchange (code: WOA) and the Frankfurt Stock Exchange (code: 2WO) and is the world's first '4 Returns' publicly listed company.

www.wideopenagriculture.com.au

www.dirtycleanfood.com.au

1 - Good Food Institute 2020 - https://www.gfi.org/marketresearch



Appendix 4C

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

Name of entity

Wide Open Agriculture Ltd

ABN

Quarter ended ("current quarter")

86 604 913 822

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	889	1,609
1.2	Payments for		
	(a) research and development	(34)	(141)
	(b) product manufacturing and operating costs	(1,630)	(2,505)
	(c) advertising and marketing	(63)	(136)
	(d) staff costs	(444)	(891)
	(e) administration and corporate costs	(299)	(504)
1.4	Interest received	31	39
1.7	Government grants and tax incentives	32	70
1.8	Other – Commonland Grant	0	110
1.9	Net cash from / (used in) operating activities	(1,518)	(2,349)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(14)
2.2	Proceeds from sale of		
	(a) property, plant and equipment	7	7
	(b) Investment in Agtalent	56	31
2.6	Net cash from / (used in) investing activities	56	24

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,503	8,503
3.3	Proceeds from exercise of share options	1,028	4,023
3.4	Transaction costs related to issue of shares	(322)	(322)
3.10	Net cash from / (used in) financing activities	9,209	12,204

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,563	4,431
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,518)	(2,349)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	56	24
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,209	12,204
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	14,310	14,310

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	14,310	5,063
5.2	Call deposits	-	1,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,310	6,563

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	NIL
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NIL

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

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

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	3	NIL	NIL	
7.2	Credit standb	y arrangements	NIL	NIL	
7.3	Other (please	e specify)	NIL	NIL	
7.4	Total financ	ing facilities	NIL	NIL	
7.5	Unused fina	ncing facilities available at qu	arter end	NIL	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.			tional financing	
8.	Estimated cash available for future operating activities \$A		\$A'000		
8.1	Net cash from / (used in) operating activities (Item 1.9)		(1,518)		
8.2	Cash and cash equivalents at quarter end (Item 4.6)		em 4.6)	14,310	
8.3	Unused finance facilities available at quarter end (Item 7.5)			-	
8.4	Total available funding (Item 8.2 + Item 8.3)		14,310		
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)			9	
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:				
		the entity expect to be able to otives and, if so, on what basis?	continue its operations ar	nd to meet its business	
	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.

	28 January 2021
Date:	
	By the board
Authorised by:	(Name of body or officer authorising release – see note 4)

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.