



Wide Open
Agriculture



Wide Open Agriculture
Preliminary Final Report 2023



COMPANY DETAILS

Name of Company	Wide Open Agriculture Limited
ABN	86 604 913 822
Reporting period	For the year ended 30 June 2023
Previous period	For the year ended 30 June 2022

RESULTS FOR ANNOUNCEMENT TO MARKET

Revenue from ordinary activities	Up 24% to \$11,455,564
Loss from ordinary activities after tax	Up 36% to (\$14,661,768)

Dividends

It is not proposed to pay any dividends

Comments

The loss for the Company after tax for the year ended 30 June 2023 amounted to \$14,661,768 (30 June 2022: \$10,788,232)

For further details refer to the financial statements and the review of operations that follow in this report.

FINANCIAL HIGHLIGHTS

2023 was a year of continued growth for WOA, with Buntine Protein® progressing towards commercialisation and Dirty Clean Food (DCF) continuing to grow despite cost of living challenges in the wider economy.

WOA's total revenue for the 12-month period was \$11.5 million, representing a 24% increase compared to the previous year, driven by the continued expansion of the Dirty Clean Food brand across its distribution channels. The Digital channel delivered 33% revenue growth in the year, and Retail delivered 32% growth following an update to our on shelf packaging and an expansion in our product offering. Our FoodService/Wholesale division grew 15%, with Dirty Clean Food products featuring in 40 of the Top 100 restaurants in WA.

Gross profit was 6.2%, down from 10.6% the year before as cost increases for key inputs, including meat prices and logistics, impacted profitability. This pressure eased in the second half of the year with meat prices falling and greater output from our production facility in Kewdale at higher margins. WOA reported a net loss of \$14.7 million for the period due to the ongoing investment in plant based protein initiatives, corporate costs, and the ongoing work in scaling Dirty Clean Food to profitability.

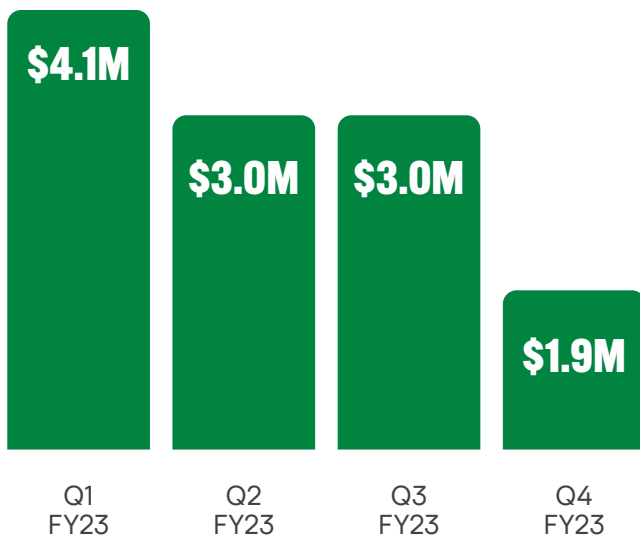
The Company had a net cash outflow of \$13.6 million during the year, reflecting the investment in plant based protein initiatives, corporate costs and the ongoing operational needs of DCF.

During the year the company implemented cost control measures, which resulted in reducing operational cash outflows during the year, and a cash outflow of \$1.9 million in Q4, a 53% reduction from Q1 of the financial year. Tight working capital control also resulted in an over \$1 million reduction in inventory, from \$3.2 million to \$1.9 million.

At 30 June 2023, following the completion of the National Australia Bank debt facility agreement for \$12 million in March 2023, WOA has available funding facilities of \$17.9 million.

The Company has also been able to access Research and Development tax incentive rebates totalling over \$1 million, with \$271,279 received in May 2023, and a further \$817,428 received in July 2023. In addition, the Western Australian Government awarded WOA a grant for \$5 million for the construction of a plant based protein facility, the first \$500,000 tranche of which was received in August 2023.

QUARTERLY OPERATING CASH BURN AUD\$



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 Jun 2023 \$	30 Jun 2022 \$
Revenue		11,455,564	9,259,496
Cost of goods sold		(10,745,617)	(8,279,933)
Gross profit		709,947	979,563
Other income		772,067	514,328
Fair value movement of biological assets		-	(73,366)
Expenses			
Auditor's remuneration		(59,500)	(51,760)
Amortisation expense		(554,486)	(446,964)
Consultancy fees		(1,723,353)	(1,584,340)
Depreciation expense		(188,998)	(167,072)
Employee benefits expense		(7,206,571)	(5,196,356)
Finance costs		(56,269)	(113,012)
Selling expenses		(2,489,991)	(1,354,999)
Share-based payments	4	(631,136)	(1,108,070)
Restoration provision		47,000	(311,000)
Other administration expenses		(3,280,478)	(1,875,185)
Loss for the period before income tax expense		(14,661,768)	(10,788,232)
Income tax expense		-	-
Loss for the period after income tax expense		(14,661,768)	(10,788,232)
Other comprehensive income:		-	-
Total comprehensive loss for the period		(14,661,768)	(10,788,232)
Basic loss per share (cents)		(10.27)	(8.29)
Diluted loss per share (cents)		(10.27)	(8.29)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	30 Jun 2023 \$	30 Jun 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,871,597	19,474,506
Trade and other receivables		1,119,527	1,082,996
Inventory		1,952,665	3,252,484
Other current assets		382,907	334,241
TOTAL CURRENT ASSETS		9,326,696	24,144,227
NON-CURRENT ASSETS			
Property, plant and equipment		3,809,740	2,591,643
Right-of-use assets		1,871,003	2,463,318
Secured loans		68,182	77,449
Other		323,446	305,194
NON-CURRENT ASSETS		6,072,371	5,437,604
TOTAL ASSETS		15,399,067	29,581,831
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,812,269	1,847,157
Lease liabilities		517,653	578,419
Borrowings		112,339	-
Provisions		684,498	538,182
TOTAL CURRENT LIABILITIES		3,126,759	2,963,758
NON-CURRENT LIABILITIES			
Lease liabilities		1,494,561	2,018,543
Borrowings		587,178	562,937
Provisions		81,803	54,197
TOTAL NON-CURRENT LIABILITIES		2,163,542	2,635,677
TOTAL LIABILITIES		5,290,301	5,599,435
NET ASSETS		10,108,766	23,982,396
EQUITY			
Issued capital	3	44,626,557	44,384,452
Share-based payments reserves	4	4,626,547	4,080,514
Accumulated losses		(39,144,338)	(24,482,570)
TOTAL EQUITY		10,108,766	23,982,396

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

30 June 2023	Issued Capital \$	Unlisted Options \$	Performance rights reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2022	44,384,452	4,080,514	-	(24,482,570)	23,982,396
Loss for the period	-	-	-	(14,661,768)	(14,661,768)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(14,661,768)	(14,661,768)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued on unlisted options exercised	242,105	-	-	-	242,105
Options issued — Share based payments	-	550,063	-	-	550,063
Options exercised	-	(85,104)	-	-	(85,104)
Performance rights issued	-	-	81,074	-	81,074
Balance at 30 June 2023	44,626,557	4,545,473	81,074	(39,144,338)	10,108,766

30 June 2022	Issued Capital \$	Unlisted Options \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021	24,856,846	3,332,051	(14,074,138)	14,114,759
Loss for the period	-	-	(10,788,232)	(10,788,232)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(10,788,232)	(10,788,232)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued under capital raising	20,000,000	-	-	20,000,000
Shares issued under share purchase plan	611,000	-	-	611,000
Shares issued on unlisted options exercised	230,655	-	-	230,655
Capital raising costs	(1,314,049)	91,849	-	(1,222,200)
Options issued — Share based payments	-	1,153,493	-	1,153,493
Options exercised	-	(71,655)	-	(71,655)
Unlisted options not exercised and lapsed	-	(425,224)	379,800	(45,424)
Balance at 30 June 2022	44,384,452	4,080,514	(24,482,570)	23,982,396

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 Jun 2023 \$	30 Jun 2022 \$
Cash flows from operating activities			
Receipts from customers		11,135,715	8,749,450
Payments to suppliers and employees		(23,613,252)	(19,313,271)
Interest received		211,042	63,219
Grants received		411,875	438,369
Movement in term deposits		(18,253)	(105,195)
Net cash flows (used in) operating activities	5	(11,872,873)	(10,167,428)
Cash flows from investing activities			
Payments for acquisition of plant and equipment		(1,441,459)	(2,310,711)
Payments for secured loans		-	(60,208)
Proceeds from secured loans		9,268	-
Payments to acquire intellectual property		-	(50,000)
Net cash flows (used in) investing activities		(1,432,191)	(2,420,919)
Cash flows from financing activities			
Proceeds from issue of shares (net of issues costs)		-	19,388,800
Proceeds from option entitlement		156,833	157,422
Repayment of lease liabilities		(588,256)	(463,913)
Borrowings costs		112,339	-
Net cash flows (used in) from financing activities		(319,084)	19,082,309
Net (decrease)/increase in cash and cash equivalents		(13,624,148)	6,493,962
Cash and cash equivalents at the beginning of the period		19,474,506	12,976,017
Effects of exchange rate fluctuations on cash held		21,239	4,527
Cash and cash equivalents at the end of the period		5,871,597	19,474,506

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 .STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Wide Open Agriculture Limited and its subsidiaries as a consolidated entity (Group). Wide Open Agriculture Limited is a company limited by shares, incorporated and domiciled in Australia.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

New or amended Accounting Standards and Interpretations adopted

The consolidated Group entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2023 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c. Segment Reporting

The Group operates in the agriculture industry in Australia. For management purposes, the Group is organised into one main operating segment which involves sales and marketing of fresh produce in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

d. Issued Capital

Ordinary shares are classified as equity. Issued and paid-up capital is recognised at the fair value of the consideration received by the Group.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

e. Share Based Payments

The Group makes payments to selected suppliers in the form of equity settled share-based payments, where shares are issued in exchange for goods or services, the amounts of which are determined by reference to the value of the underlying goods or services exchanged.

Share based payments to employees and directors are valued using the Black Scholes or Hoadley EOS 2 options pricing valuation model and expensed over the vesting period.

2. NET TANGIBLE ASSETS

	2023	2022
Net tangible assets per ordinary security	7.06c	16.86c

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

3. ISSUED CAPITAL

	2023 \$	2022 \$	2023 Shares	2022 Shares
Ordinary shares	47,303,293	47,061,188	143,281,773	142,251,773
Capital raising costs	(2,676,736)	(2,676,736)	-	-
	44,626,557	44,384,452	143,281,773	142,251,773

(a) Movement in Ordinary Share Capital

	No. of shares	Issue Price \$	Total \$
Balance at 1 July 2022	142,251,773	-	44,384,452
Options Exercised	280,000	0.15	65,442
Options Exercised	200,000	0.15	46,745
Options Exercised	50,000	0.20	13,059
Options Exercised	500,000	0.15	116,859
Balance at 30 June 2023	143,281,773	-	44,626,557

	No. of shares	Issue Price \$	Total \$
Balance at 1 July 2021	113,910,514		24,856,846
Options exercised	250,000	0.15	58,430
Options exercised	300,000	0.15	70,116
Shares issued	26,666,667	0.75	20,000,000
Options exercised	200,000	0.30	76,400
Shares issued	814,592	0.75	611,000
Options exercised	50,000	0.15	11,686
Options exercised	60,000	0.15	14,023
Less: Transaction costs	-	-	(1,314,049)
Balance at 30 June 2022	142,251,773		44,384,452

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. SHARE-BASED PAYMENT RESERVES

	2023 \$	2022 \$
Unlisted options (a)	4,545,473	4,080,514
Performance rights reserve (b)	81,074	-
	4,626,547	4,080,514
(a) Unlisted Options Reserve		
Balance at beginning of year	4,080,514	3,332,051
Options issued	550,063	1,153,493
Options issued to lead managers	-	91,849
Options exercised transferred to issued capital	(85,104)	(71,655)
Options lapsed transferred to accumulated losses	-	(379,800)
Options unvested upon cease of employment	-	(45,424)
Balance at end of year	4,545,473	4,080,514

On 29 November 2022, 375,000 unlisted options were issued as part of the employee incentive scheme for nil consideration. The options have an exercise price of \$0.457 and an expiry date of 29 November 2025. These options vested immediately.

On 29 November 2022, 3,250,000 unlisted options were issued to Directors for nil consideration. The options have an exercise price of \$0.457 and an expiry date of 29 November 2025. These options vested immediately.

On 21 February 2023, 1,924,542 unlisted options were issued to James Albany and Miranda Stamps. The options have an exercise price of \$0.48 and an expiry date of 29 November 2025. These options vested immediately.

Options issued in the form of share-based payments are valued using the Black-Scholes valuation model.

For options granted during the current financial period, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Number of options issued	Grant Date	Expiry Date	Spot Price	Exercise Price	Volatility	Risk-free interest rate	Dividend Yield	Fair Value
3,250,000	29/11/22	29/11/25	\$0.315	\$0.457	70%	3.24%	0%	\$0.11
1,924,542	21/2/23	30/11/25	\$0.210	\$0.480	76%	3.40%	0%	\$0.05
375,000	29/11/22	29/11/25	\$0.315	\$0.457	70%	3.24%	0%	\$0.11

The fair value of the 5,549,542 options granted during the year was \$508,514, of which \$508,514 was expensed during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The value of unlisted options expensed during the year may be broken down as follows:

	2023 \$	2022 \$
Share-based payments expense	550,063	1,108,070
Capital raising costs	-	-
	550,063	1,108,070

Set out below is the movements in options exercisable at the end of the financial year:

	Balance at the start of the year	Granted	Exercised	Expired/other	Balance at the end of the year
Unlisted Options	17,784,818	5,549,542	(1,030,000)	(2,610,000)	19,694,360

	2023 \$	2022 \$
(b) Performance Rights Reserve		
Balance at beginning of year	-	-
Performance rights issued to executives as incentive	81,074	-
Balance at end of year	81,074	-

On 19 December 2022, 324,296 performance rights were issued to two of the executives at no cost pursuant to the Employee Incentive Plan. The participant can choose to exercise the rights over a two-year period into fully paid ordinary shares on a 1:1 conversion basis. These performance rights vested immediately.

Number of rights issued	Grant date	Expiry date	Spot Price	Fair value
169,196	12/12/22	11/12/24	\$0.265	\$0.265
155,100	13/12/22	12/12/24	\$0.250	\$0.250

	Balance at the start of the year	Granted	Exercised	Expired/other	Balance at the end of the year
Performance Rights	-	324,296	-	-	324,296
	-	324,296	-	-	324,296

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. RECONCILIATION OF LOSS AFTER TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2023 \$	2022 \$
(Loss) after income tax	(14,661,768)	(10,788,232)
Amortisation expense	554,486	446,964
Depreciation	188,998	167,072
Interest on lease payments	104,656	96,309
Non-cash interest costs	24,241	24,241
Share-based payments	631,136	1,108,070
Provision for restoration	-	311,000
Unrealised currency (gain)	(21,239)	(4,526)
Changes in assets and liabilities		
(Increase) in operating receivables	(85,196)	(782,637)
Decrease/(Increase) in inventory	1,252,780	(2,077,634)
Decrease in biological assets	-	402,662
(Decrease)/Increase in operating payables	(34,889)	765,047
Increase in provisions	173,922	164,236
Net cash (outflows) from operating activities	(11,872,873)	(10,167,428)

6. AUDIT

The financial statements are in the process of being audited.

7. SIGNED



Anthony Maslin
Non-Executive Chairman

Dated this 31 August 2023



Wide Open Agriculture

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ASX Ticker: WOA

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