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ASX Announcement 11 March 2024

WOA signs binding MoU with Jay Albany for the sale of Dirty Clean Food

Highlights:

- After an extensive sales process, Wide Open Agriculture (WOA) has signed a binding conditional MoU to sell its wholly owned subsidiary Dirty Clean Food Pty Ltd, to the current CEO, Jay Albany, through his holding company, DCF Global Pty Ltd.
- The deal's completion is conditional on the transfer of all assets in connection with the Dirty Clean Food business to Dirty Clean Food Pty Ltd, Mr Albany securing working capital finance for DCF and WOA's shareholders approving the deal.
- The deal is valued at A\$1.5 million, and is a significant step for WOA, reflecting a shift in the Company's focus towards its core commercial opportunity, Buntine Protein®.
- As a direct consequence of this agreement, Mr. Jay Albany will relinquish his role as the CEO of WOA effective immediately. This marks the end of his impactful tenure with the Company.
- In the interim, Mr. Matthew Skinner, who has been serving as the Chief Financial Officer (CFO) of WOA, will step up as the Interim CEO. His deep understanding of the Company's financial and operational aspects makes him well-suited for guiding WOA through this transitional phase.
- The transaction is also anticipated to significantly lower cash burn, enhance sales focus, accelerate potential future profitability, and streamline operations.

Wide Open Agriculture Limited (ASX: WOA or the Company) is pleased to announce it has signed a conditional binding Memorandum of Understanding (**MoU**) to sell 100% of the issued capital in Dirty Clean Food Pty Ltd (**DCF**) to Mr. Jay Albany (through his holding company, DCF Global Pty Ltd), its current CEO (**Proposed Transaction**). This is a significant corporate development that marks a new era for WOA and is the final step in its transition to become a fully integrated plant-based protein ingredients company.

WOA's regenerative and ethical food brand, Dirty Clean Food, sells regeneratively grown produce and meat via a multichannel platform, including online to individual consumers via its website www.dirtycleanfood.com.au, as well as to wholesalers, retailers and restaurants.

The agreement proposes that DCF will be sold to Mr. Albany for \$1.5m (to be paid on a deferred basis), representing the net asset value of DCF at the date of execution of the MoU, and is subject to various conditions precedent including Mr. Albany securing \$500,000 in working capital finance for DCF and the Company obtaining shareholder approval for the purposes of Listing Rule 11.2.

WOA's Chairman, Anthony Maslin said; "After an extensive period engaging with potential buyers, it became clear that Jay is the right person to take DCF into the next chapter. His passion for the business is unparalleled and his experience in delivering in this area is proven both in DCF but also previously in New York City with Max Delivery. We also believe he is the right person to take DCF into profitability, which in turn will continue the development and promotion of regenerative agriculture in Western Australia."

Mr Jay Albany said; "I'm very appreciative to WOA's Board of Directors for the opportunity to lead the company over the last 15 months. I'm proud of the progress made in our lupin business to advance a capex light pathway to commercialisation, while building an elite global network of prospects and partners. WOA is in great hands with CEO Matthew Skinner and COO Miranda Stamps leading the commercial path forward for our ground breaking lupin protein program."

WOA CEO Jay Albany to step down as part of transaction

As part of this transaction, Mr. Albany will step down from his role as CEO effective immediately, with Mr. Matthew Skinner, the current CFO of WOA, taking the helm as Interim CEO. Mr. Albany's tenure at WOA has been marked by transformative leadership and instrumental contributions to Dirty Clean Food's growth, fostering optimism for both his future success and shareholder benefits.

Mr. Skinner has in-depth financial expertise and a comprehensive understanding of WOA's operations, and is exceptionally well-equipped to lead the company as CEO during this transition period. WOA will also begin an external search for Mr. Albany's long-term replacement.

Strategic Rationale

This decision reflects WOA's commitment to focusing solely on its flagship product, Buntine Protein®.

Starting today, WOA will focus its resources on researching, manufacturing and supplying high performance lupin-based ingredients to global food manufacturers. The Company's flagship product, Buntine Protein®, stands out as a more sustainable and adaptable alternative to traditional soy and pea proteins, offering a large commercial opportunity to replace and improve products that currently rely on conventional plant proteins.

The Proposed Transaction is expected to reduce cash burn, improve sales, accelerate profitability, and streamline the operations of WOA. Production of Buntine Protein® has started in the German

operations that WOA purchased last year, and the revenue from this will, over time, drive profitable revenue growth for the Company.

Interim CEO Matthew Skinner commented, "The decision to sell the operations of DCF, a venture that generated revenue exceeding A\$11 million in FY23, underscores our confidence in the enormous potential of Buntine Protein®. This shift allows us to transform into a more streamlined and focused entity, singularly dedicated to one ambitious goal – to replace all traditional plant-based proteins with Buntine Protein®."

Likely effect on WOA's financial information

The divestment of DCF will mainly impact WOA's immediate short term revenue stream. For the year ended 30 June 2023, DCF generated \$11.5 million in revenue for WOA. The Company is comfortable that the impact on WOA's revenue will over time be remedied by the commercialization of Buntine Protein® and the refocusing of its resources and capital into the production of plant-based proteins.

The Proposed Transaction is otherwise expected to result in an overall reduction in WOA's consolidated total assets and EBITDA loss before tax.

Importantly, the Proposed Transaction is expected to improve the Company's consolidated annual loss before tax.

There will be no securities issued by WOA as part of the transaction.

Regulatory approvals sought

WOA will submit the Proposed Transaction for security holder approval as an ordinary resolution at an extraordinary general meeting for the purposes of Listing Rule 11.2.

Key terms of binding MoU

Mr. Albany (through his holding company, DCF Global Pty Ltd) has agreed to purchase all of the issued shares in the capital of DCF from WOA pursuant to a conditional binding MoU for a total consideration of A\$1.5 million (**Consideration**) to be paid on a deferred basis.

Consideration

The Consideration must be paid within 5 years of Completion of the Proposed Transaction (**Payment Term**), with A\$500,000 payable within 3 years of Completion. The Consideration is subject to an adjustment for assets and liabilities which will be assessed on Completion.

If DCF's cash outflow is greater than A\$150,000 between the execution date of the MoU and the Completion Date of the Proposed Transaction, the Consideration will be increased by the amount of cash expended during that period above A\$150,000. For the avoidance of doubt, there will be no increase to the Consideration if DCF's cash burn is less than A\$150,000 for this period. WOA expects

completion to occur within a month or so and does not anticipate the cash outflow amount to be material so there is unlikely to be any material increase to the Consideration.

The A\$150K permitted outflow amount is based on the December cash outflow from DCF. All parties are working towards a reduction in cash burn so that the Board does not anticipate any material change to the consideration (if any at all).

In any event, the company is comfortable that any increase to the Consideration will be able to be satisfied by Mr Albany during the Payment Term and through the payment events set out below. The Company is also satisfied with Mr Albany's efforts to secure funding for DCF on a go forward basis through investor participation and grant funding.

The following payments must be made during the Payment Term until such time as the Consideration is paid in full:

- 10% of any annual DCF net income (after tax profits) of DCF;
- 10% of any net cash proceeds for equity raised by DCF over \$1 million;
- 10% of any net cash proceeds from the liquidation and disposal of agreed inventory; and
- 50% of any repayment from Grow Hub after settlement and legal fees.

At any time, WOA may choose to convert any portion of the remaining Consideration into common equity in DCF at a 10% discount to the valuation of DCF at that time. This option is limited to 15% of the total equity of DCF.

Conditions

Completion of the Proposed Transaction is subject to the following conditions precedent (**Conditions**):

- a) Completion of the transfer of all assets held in the name of WOA in connection with the Dirty Clean Food business to DCF, including generally but not limited to:
 - working capital;
 - equipment, assets;
 - o liabilities;
 - o employees; and
 - o licenses and certifications
- b) WOA obtaining shareholder approval for the Proposed Transaction;
- c) the Buyer raising working capital finance for DCF of not less than A\$500,000; and
- d) WOA obtaining any other regulatory approvals required.

IP - Dirty Clean Food Brand

All IP related to the Dirty Clean Food brand will be owned by WOA and licensed exclusively to DCF. After payment of the Consideration in full, DCF will pay a license fee of 5% of annual net income to WOA to maintain rights to the Dirty Clean Food brand, trademark and all related IP.

Following final payment of the Consideration for the Proposed Transaction, DCF has the option to purchase the Dirty Clean Food trademark and related IP from WOA for \$200,000 in cash or \$350,000 in equity in DCF based on DCF's valuation at that time. Payment in cash or equity is at WOA's election.

Key dates

- MOU between WOA and Jay Albany signed on 8 March 2024.
- WOA intends to dispatch a notice of meeting to shareholders within the next 1-2 weeks subject to ASX's review period.
- Extraordinary general meeting of shareholders is proposed to be held in early April 2024.
- Completion of the Proposed Transaction expected to occur in early April 2024, being within 5 business days of all the Conditions being either satisfied or waived (**Completion**).
- If the Conditions are not satisfied by 11 April 2024 (or such other date as agreed by the parties in writing), the MoU will terminate.

This announcement has been authorised for release by the Board of Wide Open Agriculture Limited.

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. Our hero product, Buntine Protein®, is a revolutionary climate-conscious, plant-based protein derived from lupins grown in West Australia. Manufactured under a globally protected patent, Buntine Protein® is a versatile ingredient used to create plant-based dairy, meats, baked goods, and protein supplements. Buntine Protein® is steadily gaining traction among Australian and global food companies, with WOA currently working to scale up commercial production. WOA's Dirty Clean Food brand also caters to eco-conscious consumers from Australia to South-East Asia. Underpinning WOA's entire operations, is a '4 Returns' framework that seeks to deliver measurable outcomes on financial, natural, social, and inspirational returns.

WOA is listed on the Australian Securities Exchange (WOA) and the Frankfurt Stock Exchange (2WO).

www.wideopenagriculture.com.au

www.dirtycleanfood.com.au

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of WOA are, or may be, forward looking statements. Such statements relate to future events and expectations and as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. The past performance of WOA is no guarantee of future performance. None of WOA's directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. Any forward looking statements in this announcement reflect views held only as at the date of this announcement.