

Quick Comment

Wide Open Agriculture Ltd (WOA \$1.10) Speculative Buy



Analyst	Date	Price Target
Harry Stevenson	8 th December 2020	\$1.72/sh

Successful Pilot-Scale Food-Grade Lupin Protein Trials Completed

Key Points

WOA has scaled up production of Lupin based protein using food grade industrial equipment. WOA has also exercised its right to the exclusive global commercial licence for the proprietary lupin protein technology. Early testing shows the protein exhibits a neutral taste profile which is a key requirement for the use in plant based products.

Successful Production of Food-Grade Lupin Protein

- WOA has successfully scaled up production of food grade lupin protein; using industrial grade food processing equipment.
- This is a key milestone in the scale-up process, with commercial quantities of lupin protein now available to be sent to food companies in Australia and Globally.
- Preliminary taste testing has found that the samples have a neutral taste profile, which is key for use as plant based protein source across a wide spectrum of food products.

Exclusive, Global Commercial License for Lupin Protein

- WOA has exercised the option to acquire the exclusive commercial licence for the proprietary modified lupin technology developed by Curtin University
- The license Agreement provides WOA with an exclusive global licence that covers the method for creating novel plant-based protein and use as a plant based protein food agreement.
- License is for the life of the patent.

Outlook

- WOA will undertake a techno-economic assessment; which will support the commercial feasibility study being led by the Australia's largest food engineering consultancy – Process Partners. Initial Feasibility study is expected to be complete in early 2021.
- Additional functional analysis will be carried out by IMPROVE – a European group dedicated to the research and development and commercialisation of Plant based proteins. This testing is expected to be completed in early 2021.
- In the meantime the wide scale launch of OatUp appears imminent with the company previously stating a target launch in early December.

Investment Thesis

This announcement is a significant milestone in the development and commercialisation of the lupin based protein. The market for plant based protein is -USD\$17.5bn, with significant further growth anticipated in the industry over the coming decades. WOA has recently completed a well-supported \$7m placement leaving the company well-funded to pursue development of the protein alternative and it's oat based milk product. We retain our Speculative Buy Recommendation and \$1.72 Price Target.

Wide Open Agriculture Ltd (WOA)

Share Price	1.10	A\$/sh	Enterprise Value	102.8	A\$/m
Price Target	1.72	A\$/sh	Net Cash (FY20)	3.9	A\$/m
Valuation	2.05	A\$/sh			
Shares on issue	97	m(dil)			
Market Capitalisation	106.7	A\$m			

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