

ASX Announcement

27 April 2021

QUARTERLY REPORT

Highlights:

- *15% quarter on quarter revenue growth of \$1,135,950 for Q3 FY21, representing a 196% increase over the previous year sales for the corresponding period*
- *Seventh consecutive quarter of sequential revenue growth, with increases across all three sales channels - online, food service/wholesale and retail*
- *Successful OatUP launch in WA with national roll-out underway*
- *Lupin protein business progressed into product development phase including noodles, plant-based burgers and milks*
- *DCF online grew by 20%, sequentially bolstered by expanded regenerative product lines including expanded produce, proteins and new regenerative offerings such as goat cheese*

Wide Open Agriculture (WOA) (“WOA” or the “Company”), is pleased to release its Appendix 4C cash flow statement for the three-month period ending 31 March 2021, highlighting the seventh straight quarter of revenue growth and an outlook which could deliver a number of important value enhancing milestones over the next three months.

Revenue Growth

WOA’s revenue for Q3 FY21 grew 15% to AUD\$1,135,950 (196% Y-O-Y), as demand for the Company’s regenerative, ethical food and beverage products continued to climb. Successful product launches of Dirty Clean Food’s (DCF) product range also contributed to this growth across all sales channels.

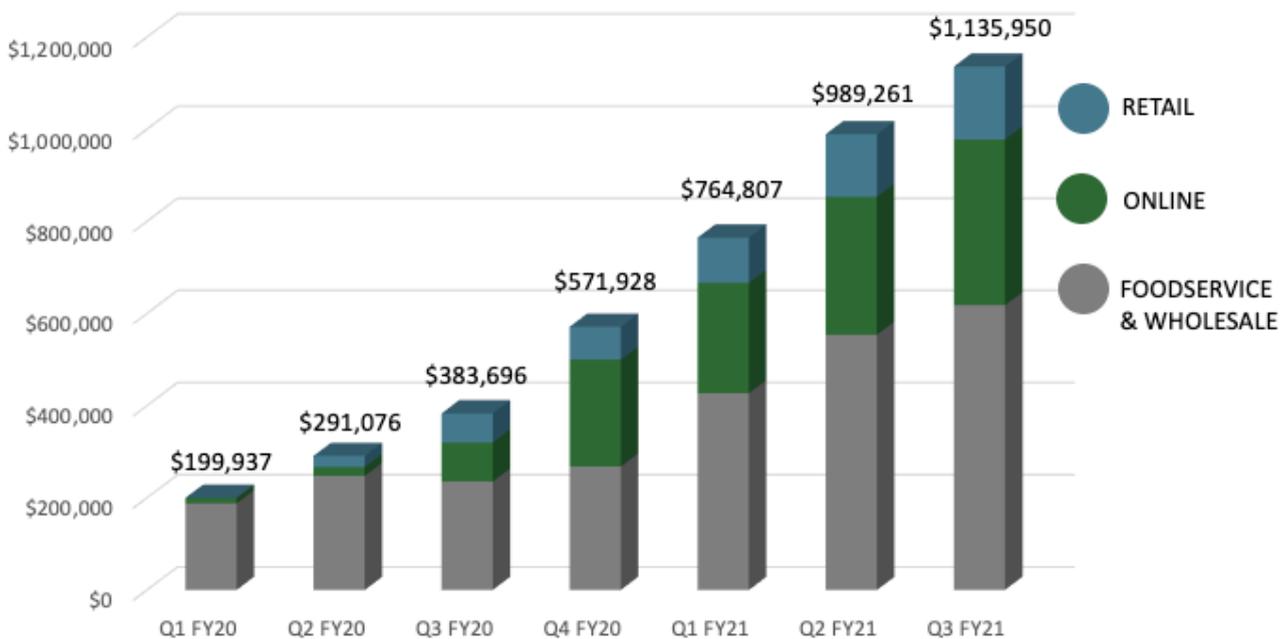
This quarter’s revenue figure is almost as much as the Company’s entire FY 2020 result of AUD\$1,446,639, highlighting that our commercial strategy to scale is working and our growth trajectory is expected to continue. Importantly, while revenue (sales during the quarter) was

AUD\$1,135,950, actual cash payment received from customers during the period totalled AUD\$1,554,000.

Managing Director Ben Cole said: “Achieving over AUD\$1m in revenue in a single quarter is a major milestone for WOA. It demonstrates that our regenerative and ethical food platform is deeply aligned with shifting consumer preferences. Consumers want to eat better and trust WOA to provide regenerative and ethical food that tastes great and they can eat with confidence.”

Dirty Clean Food continued to gain traction as a leading destination for regenerative and ethical food in Perth and select regional WA markets, with online growing 20% to AUD\$359,601 during the period. Sales to food service and cafes also remained strong, reaching AUD\$618,101 and retail sales rose by 16% to AUD\$158,249.

These diversified revenue streams continue to provide WOA with a solid commercial foundation from which to eventually progress into overall profitability.



Demand for OatUP following the WA state-wide launch in December 2020 was very strong. While this initial launch only contributed a small amount to this quarter’s overall revenue, the demand and feedback for our Carbon Neutral oat milk was highly encouraging.



Additional OatUP production and shipments have been ordered to allow for a broader WA-wide roll-out and to meet the expected demand from the upcoming national launch. Due to this, product manufacturing and operating costs increased by 34% during the quarter, as the company made a considerable investment in OatUP inventory along with cattle livestock to ensure customer demand for DCF's core product lines is met.



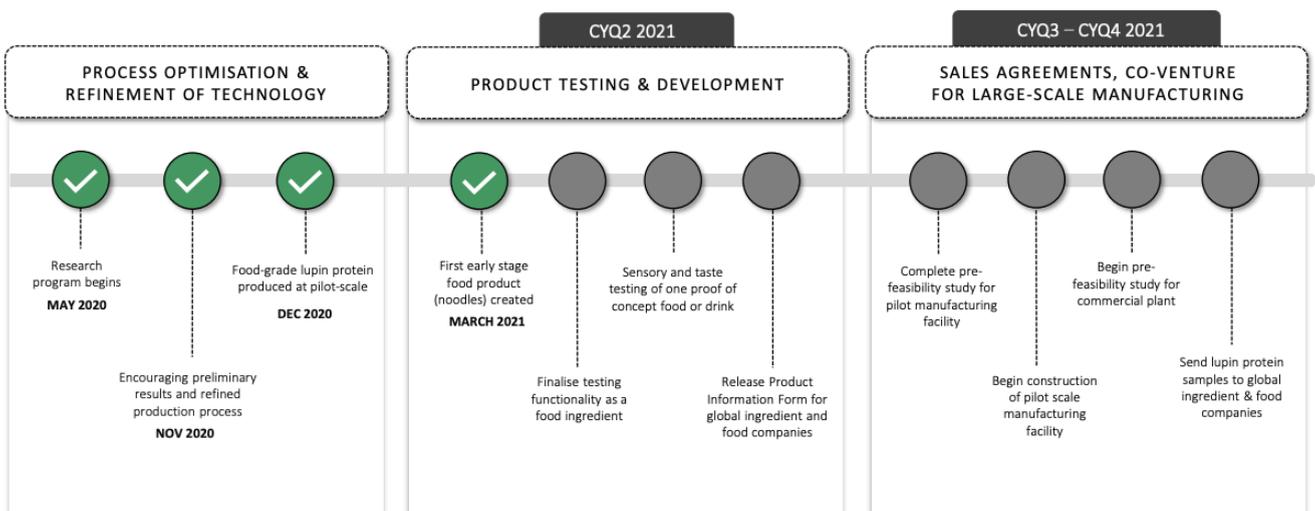
Following CSIRO's successful production of food grade lupin protein at pilot scale, WOA moved into the product development phase and signed a Research Services Agreement with Curtin University in early February. The agreement focuses on early-stage product development that will include plant-based meat, plant-based drinks, milk powder and gluten-free pasta and noodles.

The research program is being led by technology co-founders and global lupin experts based at Curtin University to rapidly develop a preliminary range of plant-based food and beverage products. In March, the team successfully created the first early-stage food product, lupin noodles.

To advance WOA's lupin protein development program, the Company secured prominent agrifood scientist and co-inventor of the lupin technology, Dr Stuart Keith Johnson, as a consultant. Dr Johnson has extensive experience and success with commercial collaborations in the agrifood sector.

During the quarter, promising progress was made towards developing a feasibility study for a potential pilot scale lupin protein manufacturing plant. The plant will potentially act as an in-house research and development facility to optimise the process and gain critical data to inform the commercial scale plant, which is expected to manufacture modified lupin-based protein ingredients for DCF and third party food products.

WOA also continued to explore potential government grant funding to advance the lupin project.





With an initial launch into the WA market in December 2020, uptake and feedback from customers met the Company’s expectations. WOA’s prime distributor, European Foods, began to market and sell product across their extensive network of cafes, restaurants and supermarkets.

OatUP received high praise for its taste, foaming capacity and provenance from customers during this initial roll-out, with product being stocked in over 50 retailers, cafes and supermarkets which include leading WA retailers such as Bunbury Farmers Market, the Brindle Group, Boatshed Market, and multiple locations from the national retail chain, IGA.

Significant focus and resources were invested in inventory, planning and logistics of the upcoming national OatUP launch. WOA continued advanced discussions with a number of East Coast food and beverage distribution groups who have shown strong interest to market and sell OatUP within the Sydney, Melbourne, Brisbane and Adelaide markets.

Work also progressed towards exploring a number of potential opportunities to develop, package and sell other oat-based beverages with new flavours and nutritional profiles. These products will use oats produced by WA farmers committed to regenerative principles.



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





WOA’s core commercial engine, Dirty Clean Food, achieved double digit growth in every sales channel, as DCF added new customers in food service, grocery and its digital platform. Growth in the digital platform was boosted by improved marketing and customer conversion efforts, as well as new products.

New products introduced during the quarter included new ready-made meal offerings produced with regenerative meat, such as pork and beef dumplings from Ma La Dumplings. An expanded selection of pork, poultry from Southampton Homestead Chicken and other sought-after produce, as well as new offerings such as Bookara Goat Cheese and Great Southern Olive Oil. This expanded product range enables DCF to attract a larger and more regular customer spend, and demonstrates broader demand for ethical and regenerative products.

Online conversions continued to improve DCF’s iterative approach to marketing and process upgrades. During the quarter the digital business benefitted from technology and service enhancements including live customer chat and upgrades to its customer relationship management tools. Food service and retail sales continue to represent large growth drivers. These customer groups have grown steadily as DCF expands its customer footprint and brand awareness as the truly unique supplier of premium regenerative food in Western Australia.

Outlook

WOA’s core focus for each quarter is to ensure efforts remain on initiatives which assist in sustained revenue growth. Q4 FY21 should also see a number of important commercial and development milestones across OatUP and lupin protein that could deliver significant future value for the business, these include;



Cash position

Wide Open Agriculture Ltd's cash position at 31 March 2021 was AUD\$12.8m. 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\$33,000 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\$35,000 comprising Directors fees, salaries and superannuation.

Cash outflows for the quarter were in line with management expectations. The cash balance at 31 March 2021 amounted to AUD\$12.8m. 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

86 604 913 822

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,554	3,164
1.2 Payments for		
(a) research and development	(33)	(108)
(b) product manufacturing and operating costs	(2,176)	(4,681)
(c) advertising and marketing	(63)	(199)
(d) staff costs	(607)	(1,498)
(e) administration and corporate costs	(499)	(1,003)
1.4 Interest received	8	46
1.7 Government grants and tax incentives	1	70
1.8 Other – Commonland Grant	50	160
1.9 Net cash from / (used in) operating activities	(1,699)	(4,049)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40)	(54)
(b) investment	0	0
2.2 Proceeds from sale of		
(a) property, plant and equipment	0	7
(c) Investment in Agtalent	54	107
2.3 Cash flows from loans to other entities	3	(20)
2.6 Net cash from / (used in) investing activities	17	40

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	8,503
3.3 Proceeds from exercise of share options	204	4,227
3.4 Transaction costs related to issue of shares	0	(322)
3.10 Net cash from / (used in) financing activities	204	12,408

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,479	4,431
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,699)	(4,049)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	17	40
4.4 Net cash from / (used in) financing activities (item 3.10 above)	204	12,408
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	12,831	12,831

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	12831	12,810
5.2 Call deposits	0	1,500
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,831	14,310

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

NIL

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

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

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	NIL	NIL
7.2 Credit standby arrangements	NIL	NIL
7.3 Other (please specify)	NIL	NIL
7.4 Total financing facilities	NIL	NIL

7.5 **Unused financing facilities available at quarter 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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,699)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	12,831
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	12,831
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. 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

- 1 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.

27 April 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.
2. 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".
5. 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.