

31 October 2019

Appendix 4C & Quarterly Report - Q1 FY2020

For the period ended 30 September 2019

- **Domestic sales of 100% grass-fed, regenerative beef and Dorper lamb reach over 35 premium restaurants and food-service partners across Perth, Margaret River & Williams**
- **First full quarter of sales of \$200,000 of grass-fed, regenerative beef and lamb**
- **September sales of over \$70,000 represent a 68% growth over first month sales in June 2019**
- **Dirty Clean Food brand and direct-to-customer online sales website launched on schedule – www.dirtycleanfood.com.au**
- **Location of open-field summer hemp trial identified in south-west of Western Australia**

From the Managing Director

In this Quarter, we launched Wide Open Agriculture's food brand, Dirty Clean Food. Our ambition is to create a globally trusted, regenerative food brand with reach across Australia, South-East Asia and Europe. A crucial element in growing Dirty Clean Food will be building and sustaining trusting relationships with our farmer-partners and customers.

Our current farmer-partners include our regenerative partners, Blackwood Valley Beef, Black Point Grass-fed Beef and Parron Dorper Lamb. Each farmer has signed Supply Agreements that align to the Soil Carbon Initiative program. The program allows farmers to identify their own practices that make tangible steps to improve soil health, enhance biodiversity and restore the water cycle on their farms. We listen and work closely with each farmer-partner to support them on their learning journey. In doing so, we aim to create long-term, fair and trust-based partnerships with all of our farmer-partners.

Listening and responding to our customers is central to growing and scaling our business and delivering our positive impact on Western Australian farmland and rural communities. Our sales have grown at a rate greater than expected and this is a key indicator of success in meeting the expectations of engaged, conscious customers. I want to re-share a quote from one of Perth's leading chefs, Ben Keal (Executive Chef at Three Pounds Group);

“What sets this product apart is not just the amazing taste and consistent quality, but the provenance. It’s food that tells an important story”

Customer feedback like this demonstrates we are laying strong foundations to build a globally-trusted, regenerative food brand. The future launch of our retail channels and ongoing conversations with export markets will allow us to grow our revenue and expand our positive impact on Western Australian farmland, farmers and rural communities.

I’m proud of our achievements this Quarter both in exceeding our expectations on sales and building trusting relationships with our farmer-partners and customers.

Thanks to the WOA team & Board, our shareholders, farmer-partners and customers for your ongoing support in growing our business. Together we are building a new food and farming system to make a healthier world.

Dr. Ben Cole

Managing Director

Dirty Clean Food – Food Brand

Distribution platform for regenerative, grass-fed meat

The launch of the direct distribution platform of grass-fed, regenerative beef and lamb commenced in late May. Sales of regenerative, 100% grass-fed, regenerative beef and Dorper lamb to the WA restaurant sector & online sales surpassed \$200,000 during the quarter ending 30 September 2019. The customer base in the food service sector has increased from 20 in June to 35 customers in September. Repeat customers include Rockpool Perth, The Reveley, Cape Lodge, Young and George, Bread in Common and Short Order Burger.

Online sales commenced on schedule in August, providing direct delivery to homes in Perth. The website www.dirtycleanfood.com.au allows customers in Perth to select specific cuts and/or bundles that meet their individual or family needs. Sales have grown month on month and social media tactics are being deployed to increase consumer awareness and engagement.

Packaging design for retail channels has commenced. Packaging will focus on compostable and recyclable options wherever possible. The new packaging will present a strong visual point of difference in the chilled meat section of retail outlets.

Shelf-stable product development

In August and September, the development of a detailed business case and financial modelling commenced for a plant-based, oat drink. The supply of oats and the logistics model from farm to customer has been designed by a consultant with over 20 years of experience in Western Australia’s grain and international logistics sectors. Led by our Marketing Manager, Marilyn Elson the oat milk business case will be submitted to the Board for review in Q2 FY2020.

The recipe formulation for the beef and lamb healthy snacks has been finalised. The next stage of development will include working with a Western Australian manufacturer to produce commercial prototypes based on the final recipes. Packaging options are under review and these will be developed into a detailed business case for presentation to the Board.



Wide Open Land – Farmland Portfolio

During this Quarter, a leading East Coast based regenerative farmland asset management company completed a review and drafted recommendations on the Wide Open Land five years strategy. The review included advice on the development of farmland acquisition criteria and asset blend within a regenerative farmland portfolio.

A Western Australian farmland acquisition of significant scale has advanced to the final stage of due diligence. The due diligence involves an agronomist developing a soil regeneration plan, infrastructure valuations and other key assumptions validated by third party experts. The next stages will include the finalisation and third-party review of the operational business model and development of an investment memorandum.

Hemp R&D trials

In July, the Company confirmed the site for the summer hemp trial. The open field site will be located in Pingrup Shire, Western Australia. The site will be one component of a State-wide trial that will examine the yield of seed and fibre of up to 12 varieties of industrial hemp. The trial is being conducted in partnership with WA Department of Primary Industries and Regional Development and West Australia's Hemp Growers' Cooperative Ltd. (HempGro).

Commercial Shade House

The Board agreed to develop an Investor Memorandum (IM) based on the Detailed Feasibility Study of the ~2ha retractable roof shade house designed for certified organic production in WA's Wheatbelt. The IM will be targeted to Dutch and European greenhouse companies. The IM is seeking to attract partnerships with companies willing to co-fund and co-manage a commercial horticultural operation in Western Australia.

Corporate

Closing cash at 30 September 2019 was \$3,003,787.

The Annual General Meeting of the Shareholders of Wide Open Agriculture Limited will be held at Tradewinds Hotel, 1 Sewell Street, East Fremantle, Western Australia at 11:00 am (WST) on Friday, 22 November 2019.



Outlook

- Launch of grass-fed, regenerative beef and lamb into West Australian retail channels
- Continue growth and expansion in food service and online sales channels
- Export licence confirmed for grass-fed, regenerative beef and lamb distribution into South-East Asia
- Summer industrial hemp trial site commences in State-wide partnership
- Continue shelf stable product development

+ About Wide Open Agriculture Ltd

Wide Open Agriculture (WOA) is a regenerative food and agriculture company based in the Wheatbelt region of Western Australia. The Company's innovative brand distributes food products with a focus on consumers in Australia and South-East Asia. Products are chosen based on their market potential and the positive impact they deliver to farmland and regional communities.

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

More information:

Wide Open Agriculture

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Appendix 4C

Quarterly 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")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A	Year to date (3 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	161,574	161,574
1.2 Payment to suppliers and employees	(613,799)	(613,799)
1.3 Interest received	6,869	6,869
1.4 Net cash from / (used in) operating activities	(445,355)	(445,355)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,919)	(2,919)
(b) investments	(50,000)	(50,000)
2.2 Net cash from / (used in) investing activities	(52,919)	(52,919)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	15,000	15,000
3.2 Other – Grants Received	206,984	206,984
3.3 Net cash from / (used in) financing activities	221,984	221,984
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,280,077	3,280,077
4.2 Net cash from / (used in) operating activities (item 1.7 above)	(455,355)	(455,355)

Consolidated statement of cash flows		Current quarter \$A	Year to date (3 months) \$A
4.3	Net cash from / (used in) investing activities (item 2.2 above)	(52,919)	(52,919)
4.4	Net cash from / (used in) financing activities (item 3.6 above)	221,984	221,984
4.5	Cash and cash equivalents at end of quarter	3,003,787	3,003,787

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	Previous quarter \$A
5.1	Bank balances	703,787	980,077
5.4	Term deposit	2,600,000	2,600,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.5 above)	3,003,787	3,280,078

6.	Payments to directors of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	58,759
6.2	Aggregate amount of cash flow from loans to these parties included in item 2	NIL
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1.1		Current quarter \$A
a)	Wages paid to directors	52,639
b)	Superannuation paid to directors	6,120

7.	Payments to related entities of the entity and their associates	Current quarter \$A
7.1	Aggregate amount of payments to these parties included in item 1.2	NIL
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

NIL

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities	NIL	NIL
8.2 Credit standby arrangements	NIL	NIL
8.3 Other (please specify)	N/A	N/A
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Product manufacturing and operating costs	200
9.2 Advertising and marketing	20
9.3 Leased assets	1
9.4 Staff costs	300
9.5 Administration and corporate costs	130
9.6 Total estimated cash outflows	651

10. Acquisitions and disposals of business entities (items 2.1 and 2.2 above)	Acquisitions	Disposals
10.1 Name of entity	NIL	NIL
10.2 Place of incorporation or registration	NIL	NIL
10.3 Consideration for acquisition or disposal	NIL	NIL
10.4 Total net assets	NIL	NIL
10.5 Nature of business	NIL	NIL

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.

Sign here: 
(Director/Company secretary)

Date:31 October 2019...

Print name:Ben Cole.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.