

28 January 2020

Quarterly Report — Q2 FY2020

- 55 premium restaurant customers in December 2019 resulting in 64% growth from June '19
- Dirty Clean Food launches and rapidly expands retail distribution in Western Australia
- 16 leading, independent retailers distributing Dirty Clean Food (38% growth from November '19 to December '19)
- Meat export licence granted for access to south-east Asian markets
- Oat milk business case progressed and West Australian oats purchased from regenerative farmer
- Board strengthened with branding, distribution and export expertise from Elizabeth Brennan and Ronnie Duncan

From the Managing Director

This Quarter was highlighted by the successful retail launch of Dirty Clean Food grass-fed beef and lamb. Our retail sales channel (16 leading independent retailers) now accompanies our strong performance in servicing WA's top restaurants (64% growth in customers from June '19 to Dec '19) and direct-to-consumer online platform — www.dirtycleanfood.com.au

The retail strategy is the final piece in our WA-based strategy prior to broadening our reach to Australia's east coast and Asian markets. With our strong foothold in Western Australia we are confident that our incredible product range, strong value proposition and superior customer service will continue our success in growing and expanding our sales and brand recognition.

Dirty Clean Food's launch party was hosted at Perth City Farm and attracted over 150 attendees. It was a great audience with retailers, chefs, stockbrokers and shareholders all attending. My personal highlight was watching the regenerative farmers explain their commitment to caring for their animal's health, building healthy soil, protecting biodiversity and the water cycle on their farmland.

For me it was a moment where strategy met reality — we had brought together impact investors, conscious consumers and regenerative farmers. In achieving this we took another step towards building a new food and farming system to make a healthier world.

I encourage you to visit our online, retail locator on www.dirtycleanfood.com.au/apps/sales-partners and purchase our regenerative, grass-fed beef and lamb from our local, independent retailers across Western Australia.

Best wishes to everyone for 2020!

Dr. Ben Cole

Managing Director

Dirty Clean Food — Food Brand

- **Successful retail launch**

The retail launch of Dirty Clean Food was held at Perth City Farm in November 2019. The event was hosted by Tony Howell, Executive Chef at Cape Lodge in Yallingup and supported by Simon Kony, owner of Short Order Burger Co. in Fremantle and the Perth CBD. The launch was co-sponsored by leading Western Australian beverage companies, Gage Roads Brewing and Willespie Wines.

The launch event led to attracting 16 leading independent retailers carrying Dirty Clean Food's regenerative lamb and beef in December '19 (38% growth from November '19). The retailers currently include locations at Farmer Jacks and IGA along with Boatshed Market, Peaches, Loose Produce, Fresh Provisions and Perth Organics.

Alongside our retail sales, food service and online sales continue to grow. The food service channel has grown to over 55 customers (64% growth from June '19 to December '19). These customers include Perth's and the south-west's leading restaurants such as Rockpool Perth at Crown Casino, Cape Lodge in Yallingup, Young George in Fremantle and Short Order Burger Co. in Fremantle and the Perth CBD.

- **Meat export licence granted for export markets**

A non-packer meat export licence was issued to Wide Open Agriculture (WOA) by the federal Department of Agriculture. The licence permits WOA to market and distribute meat into export markets including South-East Asia. Meat and Livestock Australia¹ reported sales to South-East Asian countries were valued at AUD\$850 million for Australian chilled/frozen beef and AUD\$330 million for lamb/mutton in 2018.

Given the strong demand and to ensure consistent and high-quality supply, 53 cattle were purchased by WOA. The cattle will be farmed on agistment by a regenerative farmer certified to meet Soil Carbon Initiative requirements. The initial purchase of cattle bolsters WOA's confidence to engage with Australian and Asian distributors, hotel and retail chains with a secure, high-quality supply of grass-fed beef.

¹ Meat and Livestock Australia — MLA Snapshot, Beef & Sheepmeat. South-East Asia. August 2019 — www.mla.com.au



- **Oat milk business case progressed and Western Australian oats purchased from regenerative farmer**

In this Quarter, the oat milk business case was submitted to the Board for review. The Board agreed to progress the business case to the next stage of development. The Company purchased 90 tonnes of regeneratively grown oats from a Western Australian farm in the Shire of Kojonup. Planning has commenced for local processing and logistics for the production of an industrial trial of oat milk. In 2019, retail sales of oat milk in the United States were US\$29 million up from US\$4.4 million in 2017 (growth increase of over 500% over the two-year period).

Wide Open Land — Farmland Portfolio

During this Quarter, the due diligence of a Western Australian farmland acquisition of significant scale was completed. The next stages will include the development of an investment memorandum. A second Western Australian farm is undergoing due diligence and includes a review of the carbon sequestration capacity and related financial modelling.

Corporate

The Board's capacity in marketing, distribution and export was significantly lifted with the appointment of Elizabeth Brennan and Ronnie Duncan. Elizabeth Brennan and Ronnie Duncan's skillset and experience aligns to WOA's focus on marketing and distribution of regeneratively farmed animal and plant-based food products to Australian and Asian markets.

Having lived in Papua New Guinea and the WA Wheatbelt, Elizabeth has a unique insight into global food systems and extensive experience in fresh produce marketing and agricultural development programs. Elizabeth currently coordinates a multidisciplinary agricultural research program in PNG on behalf of the Department of Foreign Affairs and Trade (DFAT) and the Australian Centre for International Agricultural Research (ACIAR). Elizabeth has also led the marketing strategy development and implementation for one of the largest citrus operations in WA, Moora Citrus, as well as other international fresh produce brands such as Bravo Apples™, Family Tree Farms and Fruitico. She is a Board Director for the RRR Network, Commissioner for the Agricultural Produce Commission, former President of Australian Women in Agriculture and volunteers on many agricultural advisory groups and committees. Elizabeth is a Member of the Australian Institute of Company Directors (MAICD) and a Fellow with the Australian Rural Leadership Foundation (FARLF).

Ronnie Duncan is the co-founder and Chairman of Meerkats, one of Australia's leading branding, communication and advertising agencies — named the 2019 Australia/New Zealand independent agency of the year in the London International Advertising Awards. As Chairman of Meerkats, Ronnie has overseen the brand strategy for food-based clients including Harvey Beef, Southern Forests Food Council, Brownes Dairy, and WOA's own food brand Dirty Clean Food. Ronnie Duncan has a passion for regenerative agriculture, as he believes a shift in our food and agriculture system is the most effective, underdeveloped opportunity to redress climate change.

Hans Schut retired as a highly valued founder, contributor and friend of Wide Open Agriculture. Hans Schut will continue as an independent advisor to the Board's Audit and Risk Committee. The Board



offered its heartfelt gratitude to Hans for his contribution to date and the contribution he continues to offer the company going forward.

The Annual General Meeting of the Shareholders of Wide Open Agriculture Limited was held at Tradewinds Hotel, 1 Sewell Street, East Fremantle, Western Australia at 11:00am (AWST) on Friday, 22 November 2019. All resolutions that were put to shareholders were passed by a poll.

Closing cash at 31 December 2019 was \$2,291,644.

Outlook

- Continue growth and expansion in food service, retail and online sales channels of Dirty Clean Food grass-fed beef and lamb
- Launch grass-fed beef and lamb into Australia's east coast and south-east Asian markets
- Commence local processing of regenerative oats for future oat milk launch
- Continue investigations into plant-based protein technologies suitable for Western Australian legumes

+ 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")

31 December 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	282,912	444,485
1.2 Payment to suppliers and employees	(1,025,022)	(1,641,268)
1.3 Interest received	62,306	9,175
1.4 Net cash from / (used in) operating activities	(739,805)	(1,187,607)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40,993)	(40,993)
(b) investments	-	(50,000)
2.2 Net cash from / (used in) investing activities	(40,993)	(90,993)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	15,000
3.2 Other – Grants Received	68,183	275,167
3.3 Net cash from / (used in) financing activities	68,183	290,167
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	3,004,259	3,280,077
4.2 Net cash from / (used in) operating activities (item 1.7 above)	(739,805)	(1,187,607)

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)	(40,993)	(90,993)
4.4	Net cash from / (used in) financing activities (item 3.6 above)	68,183	290,167
4.5	Cash and cash equivalents at end of quarter	2,291,644	2,291,644

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	591,644	703,787
5.4	Term deposit	1,700,000	2,600,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.5 above)	2,291,644	3,003,787

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	56,693
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	49,860
b)	Superannuation paid to directors	6,833

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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Product manufacturing and operating costs	270
9.2 Advertising and marketing	20
9.3 Leased assets	1
9.4 Staff costs	250
9.5 Administration and corporate costs	80
9.6 Total estimated cash outflows	641

10. Acquisitions and disposals of business entities (items 2.1 and 2.2 above)	Acquisitions	Disposals
10.1 Name of entity	Farmfolk Services Pty Ltd	NIL
10.2 Place of incorporation or registration	Australia	NIL
10.3 Consideration for acquisition or disposal	50,000	NIL
10.4 Total net assets	48,000	NIL
10.5 Nature of business	Digital jobs, training consulting platform	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:..... Date:28 January 2020.....
(Director/Company secretary)

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.