

9 April 2020

SALES UPDATE & QUARTERLY REPORT Q3 FY2020

Highlights:

- 32% quarter-on-quarter revenue growth with **record revenue of \$393,689**
- Highest revenue recorded in March with sales of \$179,353
- Online product offering diversified through new partnerships with aligned, West Australian food companies
- Market testing of oat milk completed and rolled oats transported to manufacturer
- Sales momentum anticipated to continue into next quarter as demand for essential food items increase through online and retail channels
- Board and senior staff agree to major compensation restructuring for the remainder of the financial year to ensure optimal cash preservation

Wide Open Agriculture (WOA) (“WOA” or the “Company”), is pleased to release its Appendix 4C quarterly cash flow statement for the three-month period ending 31 March 2020, which includes quarter-on-quarter revenue growth with sales continuing to grow rapidly as supermarkets and online food shopping remain ‘essential services’.

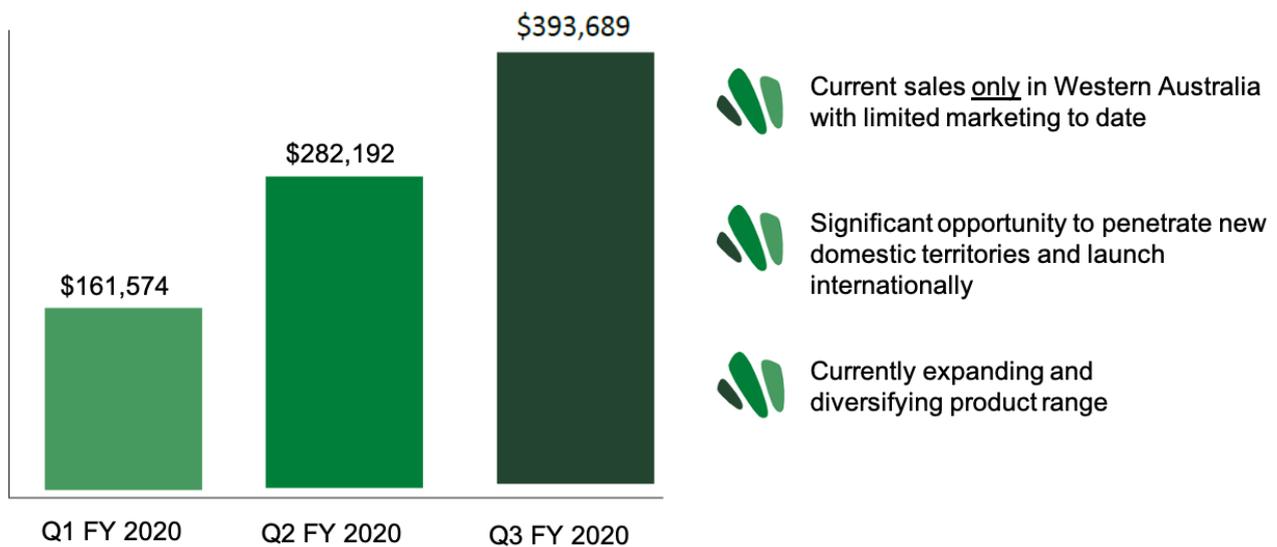
Record Revenue Performance

WOA continued its sales trajectory and delivered quarter-on-quarter revenue growth, with Q3 revenue increasing 32% to \$393,689 over Q2 FY2020 results. Revenue of \$179,353 was achieved in the month of March, the highest in the Company’s history, highlighting WOA’s resilient business model during the challenging macroeconomic conditions due to COVID-19.

While current operations and sales are setting an important commercial foundation for WOA, it is important to note these sales were made only in Western Australia. The Company anticipates further growth as it expands its product offering, secures additional distribution agreements and launches into new markets, domestically and internationally.

Dr Ben Cole, Managing Director said, “Attaining our third quarter of revenue growth demonstrates our capacity to scale through building a loyal base of conscious consumers, diversifying our regenerative product lines and capitalising on our various sales channels. We are rapidly building our relationship with conscious consumers whilst refining operational efficiencies of our online sales and fulfillment.”

Wide Open Agriculture Quarterly Revenue



Revenue Growth Drivers

While the COVID-19 situation is rapidly evolving, sales momentum actually accelerated due to increased demand from supermarkets and consumers purchasing online. Online sales volume grew by over 694% month-on-month from February to March 2020 and monthly online sales orders increased from 51 in February to 388 in March 2020. The online sales channel offers the most favourable gross margin to WOA in comparison to retail and food service sales channels.

WOA is positioned to continue producing essential food items as governments commit to supermarkets and online food shopping as ‘essential services’. Retail sales grew month-on-month by 47% from February to March 2020. Dirty Clean Food is stocked in over 30 independent retailers showing continued and strong demand for Dirty Clean Food products. These include a number of independent IGA and Farmer Jacks stores.

Food Service orders from restaurants and cafes declined during the quarter and are expected to decline further in the coming months. Month-on-month sales decreased by 23% from February to March 2020. However, this has been offset by growth in the retail and online sales channels, positioning WOA well for sustained sales from all three channels once the COVID-19 emergency subsides.



Additional Partnerships Secured

In March, WOA partnered with two new companies through its online, home delivery service. The two partners include leading burger chain, 'Short Order Burger Co.' and sustainable West Australian seafood company 'Fins Seafood'.

Short Order Burger Co. are an aligned food service partner and foundation customer of Dirty Clean Food's 100% grass-fed beef. Short Order Burger Co. are collaborating with Dirty Clean Food to launch a 100% grass-fed beef patty for home delivery. The collaboration complements the existing regenerative animal protein offering whilst providing an aligned food service partner with a new distribution channel to reach customers.

Fins Seafood are a West Australian-owned company that source their seafood locally, are line-caught and support sustainable fishing practices. The collaboration with Fins offers a wider product range to Dirty Clean Food's online customers whilst supporting a West Australian sustainable business during the COVID-19 emergency.

WOA has also engaged with a number of additional potential food partners who meet the Company's strict regenerative requirements. This initiative aims to support local food services, grow revenue and offer increased product variety for our customer base.

Dr Ben Cole, Managing Director said, "We built a best-in-class online platform to connect conscious consumers with WA's best, regenerative food products - dirtycleanfood.com.au. We are using our platform to partner with our wonderful local food service partners during this period."



Progressed Development of Oat-Based Products

WOA completed a 5,000L industrial trial to produce oat milk, demonstrating our capacity to produce innovative plant-based products from farms committed to regenerative principles. The global oat milk market is projected to be worth US\$1.6Bn in 2024 and has the potential to be a sustainable alternative to high growth products like almond, rice, coconut and soy milk.



The Company purchased 90 tonnes of WA-grown, regenerative oats to be used in commercial production after completion of the final market testing. The oats were rolled by a Wheatbelt-based processing mill allowing for the 5,000L industrial trial to commence. The initial trial was to conduct market testing with baristas, retailers and distributors. Feedback and learnings from these groups are now being applied to improve the oat milk recipe formulation. WOA is also exploring a number of potential opportunities to package and sell rolled oat and muesli products.

Refined Operational Efficiencies

WOA implemented a revised remuneration structure to reduce overheads in response to the current instability in global financial markets. As such, WOA has moved to closely align the interests of Directors and management with shareholders whilst protecting our cash position during the uncertainty associated with the COVID-19 emergency. The Board agreed to accept a 20% fee reduction, with the balance paid in equity in lieu of cash. Ben Cole, Managing Director has voluntarily accepted a 30% pay reduction resulting in a \$115,500 per annum salary package. These two agreements will be compensated in shares and continue for a 3-month period, whereupon they will be reviewed.

Outlook

The Company remains well placed to continue sales momentum during FY2020, with revenue expected to remain strong during and after the COVID-19 pandemic. WOA's objectives this quarter include;

- Expand and diversify the online range of regenerative products with additional animal proteins and plant-based products
- Continue to grow the West Australian online customer base through increasing the geographic spread of home deliveries and digital marketing strategies
- Grow the number of retail sales partners across independent supermarkets in Western Australia
- Continue oat milk trials and recipe formulations and launch a rolled oat product line
- Finalise the investigation into plant-based protein technologies and confirm agreements with key partners

This announcement has been approved by the Board.



[ENDS]

For investor, media or other enquiries please contact;

Dr Ben Cole
Managing Director - Wide Open Agriculture
ben@wideopenagriculture.com.au
+61 415 387 270

About Wide Open Agriculture Ltd

Wide Open Agriculture (WOA) is Australia's leading ASX-listed regenerative food and agriculture company. The Company's innovative brand markets and 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 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

