

18 May 2020

WIDE OPEN AGRICULTURE SIGNS OPTION FOR EXCLUSIVE GLOBAL LICENCE TO PLANT-BASED PROTEIN TECHNOLOGY

HIGHLIGHTS

- **WOA signs option to a exclusive global licence to create a novel plant-based protein for human consumption**
- **Plant-based protein derived from lupin. Licence signed with Curtin University which has proven experience in legume innovation and commercialisation**
- **Plant-based protein market is growing at 14% p.a. and forecast to reach USD\$40.6 billion by 2025**
- **Plant-based proteins are the key ingredient of Beyond Meat and Impossible Foods and other plant-based alternative meat, dairy and egg products**
- **Provides WOA with first mover advantage to launch a lupin-based protein for human consumption into a high growth sector**
- **Lupin is a super high protein, regenerative legume. 60% of global production occurs in Western Australia**
- **Completes WOA's trilogy of regenerative products including livestock, oats and lupins**

Wide Open Agriculture Limited (ASX: WOA) ("WOA" or the "Company"), is pleased to announce the Company has signed an Option and Licence agreement with Curtin University for the development and commercialisation of a proprietary plant-based lupin protein technology.

The agreement provides WOA with an option to an exclusive global licence that covers the unique method for creating a novel plant-based protein from Australian sweet lupin (*Lupinus angustifolius*), its use as a plant-based protein food ingredient and allows WOA to develop and launch products to compete in multiple food categories.

PLANT-BASED PROTEIN MARKET

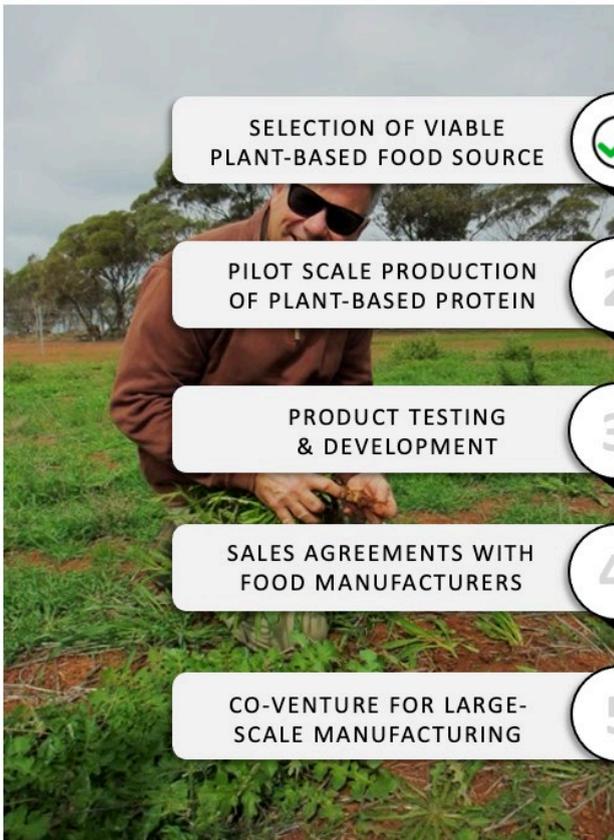
Plant-based protein is used to make high growth consumer food alternatives within the meat, dairy, beverage and egg sectors. The global market is estimated to be valued at USD\$18.5 billion in 2019 and is forecast to grow at 14% p.a. to reach USD\$40.6 billion by 2025¹. The Australian market for plant-based protein is projected to be valued at AUD\$3 billion by 2030². Beyond Meat and Impossible Foods utilise plant-based proteins as the key ingredient of their current alternative meat range. Climate change, animal-welfare concerns, and greater interest in wellness are driving this growth, along with an increasing number of products becoming available in supermarkets globally.

Western Australia produces over 60% of global production of Australian sweet lupin and is a leading global exporter. Lupin seed contains high levels of protein and has the benefits of being non-genetically modified with a low glycaemic index (low GI). Leading plant-based proteins are soy and pea proteins. The soy protein market has a market value of AUD\$3.9 billion per annum³.

TECHNOLOGY OVERVIEW

Researchers at Curtin University have developed a novel modification technique that enables protein derived from the seed of lupin to form a gel, making it suitable for new applications in a wide range of food sectors. Using a novel technology to unfold the constituent protein, a stable 3-D network is formed which can entrap water, flavours and other functional components required for food products. Previous market uptake concerns relating to lupin have centred around its texture and its capacity for gelling and thickening. This innovation addresses these issues, opening up the potential for lupin protein to be used in the formulation of plant-based alternative meat, eggs, dairy and gluten-free products.





DEVELOPMENT PLANS

Under the agreement, both WOA and Curtin University will begin to refine the novel technology's production process to convert raw lupin into a viable protein source for the production of high-quality food products.

To secure initial pilot scale supply for production, WOA will engage with regenerative lupin farmers to identify suitable options from a variety of climatic and soil conditions in Western Australia's Wheatbelt.

WOA plans to manage the product development and testing of meat, egg, pasta, dairy and other analogues using the lupin protein. Where possible, this activity will be conducted in partnership with Curtin and potentially an experienced consultant within the food sector.

WOA will then conduct prototype testing through its established 'Tasting Tribe' that includes a cross-section of customers from a variety of demographics across Western Australia. After establishing product viability, the Company will develop a market entry strategy and begin discussions with food manufacturers. It is anticipated that initial sales will come from the Australian market, with the potential to distribute globally or partner with global food leaders in plant-based protein development.

Managing Director, Dr Ben Cole said "Lupin is an extraordinarily good source of plant-based protein and yet only 4% of lupin are currently consumed by humans. Curtin's technology represents an opportunity to produce a plant-based protein that could elevate lupin into a rapidly growing sector of the food market."

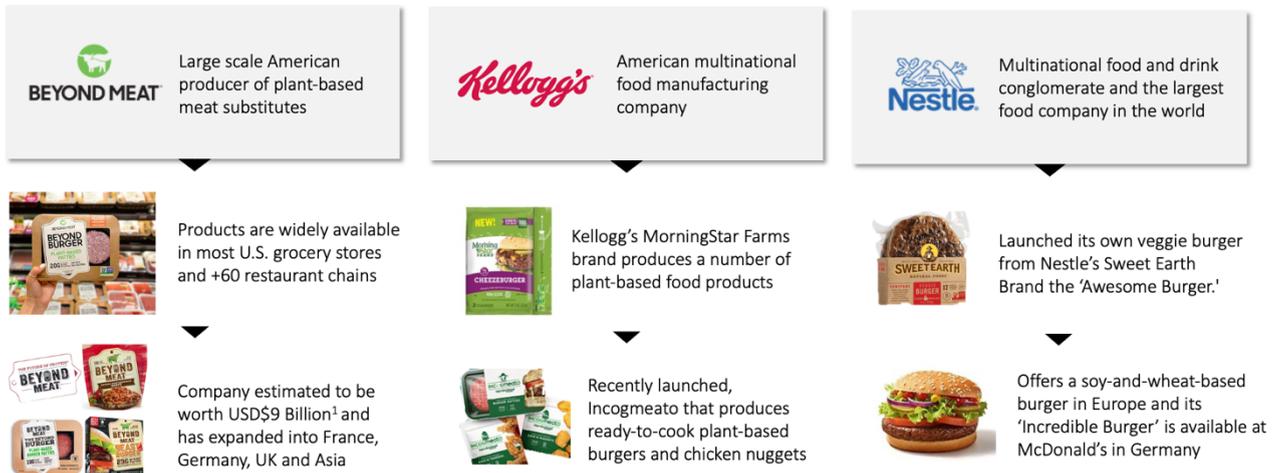
"WOA's strategy is focussed on a trilogy of regenerative products - livestock, oats and lupins. Lupins are firmly a part of our diversified portfolio."

"While increasing revenue from our regenerative meat, oat products and digital platform remain the Company's highest commercial focus, this agreement with Curtin University provides a low capital-intensive development opportunity which could lead to promising commercial outcomes in the future."



INDUSTRY INVESTMENT

Lastly, there is growing investment from a number of food industry giants seeking exposure to this high growth sector. The Good Food Institute calculated USD\$13 billion has been invested in the plant-based food industry in the past two years.



¹ – Market value varies depending on Beyond Meat NASDAQ share price

ABOUT AUSTRALIAN SWEET LUPINS

- Lupin is a super high protein legume (32 – 40%), with high protein digestibility and high fibre
- The vast majority of Australian sweet lupin (>60%) is produced in Western Australia and has an average annual market of AUD\$200 million
- Lupin can be produced on low nutrient soils due to their ability to fix atmospheric nitrogen and are utilised for crop rotations by regenerative farmers
- Lupin production is predominantly used for stockfeed and less than 4% of global production is currently consumed as human food

KEY MATERIAL TERMS OF THE LICENCE & OPTION AGREEMENT

- Curtin University grants Wide Open Agriculture with a research and development licence to develop the Technology (R&D Licence) and the grant of an Option, which if exercised will result in a licence to commercialise the Technology (Full Licence).
- Term of the Agreement:
 - Curtin grants WOA the R&D Licence for the duration of the Development Period expiring 12 months after the Commencement Date.
 - The Option Exercise Period is a 1 month period commencing on the earlier of the expiry of (a) the Development Period; and (b) the date WOA elects if the Development Activities are completed.



- The Negotiation Period commences on the date WOA exercises the Option and expiring on the earlier of (a) the date the Full Licence is executed by the Parties; and (b) 3 months after the expiry of the Option Exercise Period.
- WOA is committed to fund the next round of Research and Development Activities and product testing. Forecast expenditure estimated to be between AUD\$50,000-120,000
- WOA will seek co-funding from grant mechanisms and will apply for a R&D tax rebate related to the research project
- WOA shall reimburse Curtin University with costs and expenses related to patents, up to a maximum of AUD\$20,000
- As soon as practicable after the Commencement date, the parties will in good faith seek to document the full terms of the Formal Licence Agreement. It is intended that the Formal Licence Documents will be agreed during the Development Period
- Key agreed commercial terms for inclusion in Full Licence Agreement include Royalties payable by WOA to Curtin on the basis of: (a) Production - a Royalty rate of \$120 per tonne of lupin protein isolate produced by WOA; (b) High sales value - a Royalty of 12.5% of sales revenue generated in excess of \$6,000 / tonne of lupin protein isolate; and (c) Sublicence revenues - a Royalty of 12.5% of revenue derived from sub-licences.

This announcement has been authorised and 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 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

Source

1- Research and Markets 2019 – Plant-based protein market by type | 2 - AgriFutures, 2020 | 3 - MarketsandMarkets 2019

