

23 July 2020

## OAT MILK DEVELOPMENT UPDATE

### Highlights:

- *Final oat milk recipe formulations arrived from European manufacturer*
- *Laboratory testing confirms recipe meets Dirty Clean Food's nutritional criteria*
- *Market testing receives high praise from Perth's leading baristas and retailers*
- *WA State government awards WOA with grant funding to investigate the potential for a plant-based milk manufacturing facility in Western Australia*
- *Oat Milk market valued at US\$1.6 billion globally by 2024*
- *Commercial launch on track for Q4 2020 CY*

**Wide Open Agriculture Limited (ASX: WOA)** ("Wide Open" or the "Company"), is pleased to provide an update on its oat milk development project, as the company enters the final stage of product development and progresses closer towards launching a plant-based milk product using West Australian (WA) regenerative oats.

### Product Development Progress:

WOA has made considerable progress to date, with the final oat milk recipe formulations recently arriving from our European manufacturer. This marks an important milestone for the company, as it validates our ability to rapidly conceptualise and develop products with the potential to penetrate multi-billion-dollar markets across a range of high growth food sectors.

Laboratory testing has confirmed that the recipe meets Dirty Clean Food's nutritional criteria. The oat milk is fortified with Calcium, Riboflavin and Vitamins D and B12 to align closely with dairy milk. It is suitable for vegans with no added sugar, dairy, soy, nuts, gums or stabilisers.

The Company has also carried out initial market testing with baristas and retailers. The high capacity for frothing makes oat milk ideal for use by baristas and home coffee machines, as well as on cereal, in baking and smoothies. Development of branding, packaging and marketing is at the final stage of completion with an Australia-wide launch expected in Q4 2020 CY, followed by potential distribution across South-East Asian markets in 2021.

WOA's Managing Director, Dr Ben Cole said "Launching the world's first regenerative plant-based milk using West Australian oats into a multi-billion dollar drink category is an exhilarating step for WOA. The market feedback on our final recipe has been overwhelmingly positive and validates our proposition that West Australian, regenerative oats are some of the best in the world for flavour and nutritional value."

### **Commercial Opportunity:**

The oat milk market is projected to be worth US\$1.6Bn in 2024<sup>1</sup>. Consumer uptake in US and European markets is rapidly growing and there is increasing investment across the industry. Earlier this month, Swedish oat-milk maker Oatly secured \$200 million in new capital giving it an estimated value of \$2 billion<sup>2</sup>.

This growth is driven by an ever-expanding community of health and environmentally conscious consumers worldwide. Oat milk compares well with other dairy and non-dairy milk alternatives, with a much smaller environmental impact in terms of fewer inputs, less water and lower greenhouse gas emissions.

In addition to its environmental credentials, WOA's oat milk has the potential to become a sustainable alternative to other milk types due to its superior creamy flavour, ability to froth in coffee and its texture. It would also be the world's first milk product to use West Australian oats grown by farmer's committed to regenerative farming practices.

### **Grant Funding Secured:**

WOA has been awarded a \$20,000 grant from the WA State Government to support a feasibility study to construct an oat milk manufacturing facility in WA. The funding was secured via the WA Government's Value Add Agribusiness Investment Attraction Fund. This initiative aims to support globally competitive agriculture and food technologies from WA, including solutions that can reduce input costs and improve environmental impact.

The funding, which WOA will match dollar for dollar, will be used to undertake a preliminary feasibility assessment to construct a facility that produces plant-based milk using regenerative oats from WA farmers. The feasibility will provide critical metrics surrounding the commercial viability of the plant, its location and the supporting infrastructure required.

While undertaking this feasibility, WOA will continue to work closely with its current European manufacturer to produce oat milk for initial sales, with the capability to increase production to match any potential future demand.



Dr Cole said: “The feasibility is a vital step in achieving our goal of bringing oat milk production into WA. Local manufacturing would allow WOA to produce an oat milk product with the highest possible environmental credentials and provenance for distribution across Australia and South-East Asian markets.

“It would also improve our margin and volume capacities and open the door to other opportunities in the plant-based milk space.”

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](http://www.wideopenagriculture.com.au)

[www.dirtycleanfood.com.au](http://www.dirtycleanfood.com.au)

### Sources:

- 1 – Research and Markets report “Oat milk market forecasts from 2019 – 2024”
- 2 – Bloomberg Article “Oatly of Sweden Valued at \$2 Billion After Blackstone Investment”

