

ASX Announcement

8 December 2020



FOOD-GRADE LUPIN PROTEIN PRODUCED AT PILOT-SCALE USING INDUSTRIAL EQUIPMENT

Highlights

- *Successful scaled-up production of food-grade lupin protein using industrial equipment*
- *WOA exercises its right to exclusive, global commercial licence for the proprietary lupin protein technology*
- *Preliminary testing shows a desirable neutral taste, a key requirement for food companies*
- *Positions WOA to enter USD\$17.5 billion plant-based protein market as a producer of both ingredient and value-added plant-based protein products ¹*

Wide Open Agriculture Limited (ASX: WOA) (“WOA” or the “Company”) is pleased to announce a number of vital milestones that have progressed the Company closer towards creating a novel plant-based protein that can be used to create multiple products, including alternative meats, plant-based beverages and gluten-free alternatives of bread, pasta and noodles.

SUCCESSFUL PRODUCTION OF FOOD-GRADE LUPIN PROTEIN

WOA and our research partners, have successfully produced food-grade, lupin protein isolate using industrial grade food processing equipment, potentially unlocking previous barriers for lupin to be used in new applications across a wide range of food sectors.

This marks an important milestone in the scale-up process, as it increases the potential commercial viability of the process and demonstrates the capability of producing commercial quantities of lupin protein that can be sent to ingredient and food companies in Australia and globally.

Preliminary taste testing has also found the samples to have a neutral taste, providing additional confidence of its potential use as a plant-based protein source across a wide spectrum of food products.

Managing Director, Dr Ben Cole said “This is the biggest achievement in our lupin project to date. We source our lupins from WA’s leading regenerative farmers, meaning our lupin protein has exceptional environmental credentials. With plant-based products continuing to grow rapidly, we believe our lupin protein’s eco-credentials will be a key decision-making attribute for consumers.”

“On behalf of the entire WOA team, we would like to acknowledge our dedicated and exceptional research partners who have been critical in progressing this project forward. Running the food-grade, pilot-scale trials on schedule, despite the tight restrictions across Melbourne due to the COVID-19 outbreak is testament to the calibre of our partners.”

EXCLUSIVE, GLOBAL COMMERCIAL LICENCE FOR LUPIN PROTEIN TECHNOLOGY

Following this milestone, WOA has exercised its option pursuant to the Option and Licence Agreement (announced to the ASX on 18 May 2020) (Licence Agreement) to acquire the exclusive commercial licence for the proprietary modified lupin protein technology developed and patented by Curtin University.

The Licence Agreement provides WOA with an exclusive global licence that covers the patented method for creating a novel plant-based protein from Australian sweet lupin and its use as a plant-based protein food ingredient - allowing WOA to develop and launch products to compete in multiple food categories.

This marks the final step in securing the key IP and know-how required for commercialisation. In consideration of the exclusive global licence granted, WOA will pay Curtin University royalties if and when any products are successfully commercialised. For a summary of further material terms of the Licence Agreement, please refer to the ‘Key Material Terms of the Licence Agreement’ located at the end of this announcement.

NEXT STEPS

WOA and our partners will continue to test and refine the production process in preparation to undertake a techno-economic assessment. The techno-economic assessment will provide a detailed process flow of the novel production system and provide guidance on the commercial production of lupin protein isolate.

The techno-economic assessment will further support the commercial feasibility study being led by Australia’s largest food engineering consultancy, Process Partners. Process Partners will provide a +/- 30% CAPEX and OPEX feasibility study in early 2021.

Additional functional analysis will also be carried out by IMPROVE, a renowned European group dedicated to the research, development and commercialisation of plant-based proteins. The functional analysis will include composition, solubility, water holding, fat holding and gelling properties. This testing is anticipated to be completed in early 2021.



KEY MATERIAL TERMS OF THE LICENCE AGREEMENT

- Curtin University grants WOA an exclusive, global licence of the patent rights, other statutory rights and the know-how of Australian Provisional Patent entitled High Protein Food Ingredient in the name of Curtin University.
- WOA may, by written agreement and prior notice to Curtin University, sub-licence its rights to any affiliate or third-parties for all or part of the territory of the agreement (globally).
- WOA will pay a Minimum Annual Royalty payment commencing on year 3 after the commencement date of the licence of AUD\$25,000, year 4 of AUD\$35,000, years 5 – 7 of AUD\$50,000 and years 8 – 10 of AUD\$75,000.
- Royalties payable by WOA to Curtin University on the basis of: (a) Production - a Royalty rate of AUD\$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 AUD\$6,000 / tonne of lupin protein isolate; and (c) Sub-licence revenues - a Royalty of 12.5% of revenue derived from sub-licences.
- The Licence Agreement details a commercialisation plan that identifies three phases; (i) assess key technical and commercial requirements for project development; (ii) develop small-scale pilot plant to refine process parameters and develop pathfinder products; and (iii) commercial production and market expansion.

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:

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.



About WOA Lupin Project

Australian Sweet Lupin is high in protein compared to other cool-season grain legumes, such as lentil, pea, and chickpea, with a protein level similar to that of soy. Lupin is eco-friendly, has a low carbon foot-print and is a component of regenerative farming systems. Commercial quantities of lupin are available from West Australian farmers committed to regenerative farming principles.

As climate change, animal-welfare concerns and greater interest in wellness drive consumers to look for alternative sources of protein in their diets, WOA has a first mover advantage to develop a lupin-based protein that can be used to create a number of plant-based products across multiple high grow food categories.

www.wideopenagriculture.com.au

www.dirtycleanfood.com.au

Source: Verified Market Research, the Plant-Based Protein Market (1)

