

Appendix 4D

Half-Year Report for the period ended 31 December 2020

| | |
|--|-------------------------------|
| Name of Entity | Wide Open Agriculture Limited |
| ABN | 86 604 913 822 |
| Year Ended | 31 December 2020 |
| Previous Corresponding Reporting Period | 31 December 2019 |

Results for Announcement to the Market

| | \$'000 | Percentage increase/(decrease) over previous corresponding period |
|---|-------------------------------------|---|
| Revenue from ordinary activities | 1,753 | 257% |
| (Loss) from ordinary activities after tax attributable to members | (3,633) | (398%) |
| Net (loss) for the period attributable to members | (3,633) | (398%) |
| Dividends (distributions) | Amount per security | Franked amount per security |
| Final Dividend | It is not proposed to pay Dividends | |
| Interim Dividend | It is not proposed to pay Dividends | |
| Record date for determining entitlements to the dividends (if any) | Not Applicable | |

Review of Operations

Refer to Directors' Report included in the attached half-year financial report

Earnings Per Share

| | Current Period | Previous corresponding period |
|---|----------------|-------------------------------|
| (Loss) per share (Basic & Diluted) | (3.87) cents | (1.03) cents |

Net Tangible Assets per Security

| | Current Period | Previous corresponding period |
|---|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | 14.21 cents | 2.26 cents |

The 31 December 2020 financial report dated 25 February 2021 forms part of and should be read in conjunction with the Half Year Report (Appendix 4D).

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors. On behalf of the Directors:



Ben Cole
Managing Director

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WIDE OPEN AGRICULTURE LIMITED
ABN 86 604 913 822

CONSOLIDATED FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

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CORPORATE DIRECTORY

DIRECTORS

Mr Anthony Maslin (Non-Executive Chairman)
Dr Ben Cole (Managing Director)
Mr Stuart McAlpine (Non-Executive Director)
Ms Elizabeth Brennan (Non-Executive Director)
Mr Ronnie Duncan (Non-Executive Director)

COMPANY SECRETARY

Mr Sam Wright
Ms Lydia fee – resigned 11/09/2020

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SOLICITORS

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AUDITORS

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SHARE REGISTRY

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Perth, Western Australia, 6000
Telephone: +61 1300 554 474 (within Australia)

STOCK EXCHANGE

Australian Securities Exchange
Central Park
152-158 St Georges Terrace
Perth Western Australia 6000

ASX CODE: WOA

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

DIRECTOR'S REPORT

Your directors present this report on Wide Open Agriculture Limited (the "Company" or "WOA") and its subsidiaries ("Consolidated Entity" or "Group") for the half year ended 31 December 2020.

DIRECTORS

The name of the directors in office at any time during, or since the end of the year are:

Ben Cole – Managing Director (appointed on 23 March 2015)

Anthony Maslin – Non-Executive Chairman (appointed on 23 March 2015)

Stuart McAlpine – Non-Executive Director (appointed 30 March 2016)

Elizabeth Brennan – Non Executive Director (appointed 11 November 2019)

Ronnie Duncan – Non Executive Director (appointed 03 December 2019)

COMPANY SECRETARY

Sam Wright (appointed on 28 September 2016)

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

DIRECTOR'S REPORT

LETTER FROM MANAGING DIRECTOR

Welcome to WOA's half-yearly consolidated financial report. The first half of FY21 recorded another two quarters of growth for Dirty Clean Food sales, alongside the launch of a carbon-neutral, regenerative oat milk and significant technical breakthroughs in the development of a unique, plant-based protein.

Accompanying our operational success and improving financial position is our growing impact. Our central measure for impact is carbon. Carbon offers a proxy measure for ecosystem health and offers a unifying, quantifiable measure to tackle accelerating climate change.

During the reporting period the Company certified both WOA's Corporate activities and OatUP as carbon neutral with Climate Active. Our efforts continue to focus on supporting the connection between regenerative farmers and conscious consumers to produce healthy farms and vibrant, nutritious food.

It is exciting to be a part of WOA's continued revenue growth and impact and we look forward to progressing our work throughout FY 2021 and beyond.

Yours sincerely,

Dr Ben Cole
Director

REVIEW OF OPERATIONS

The loss of the Group for the half year after providing for income tax amounted to \$3,633,138 (2019: loss of \$729,621). This included \$1,985,630 of non-cash share-based payments, a \$1,850,427 increase from the prior period, driven primarily by the increase in WOA's share price. In addition, WOA has further invested in an experienced team to drive the continued scaling up of operations.

Wide Open Agriculture achieved revenue of \$1,752,934 for the half year reporting period. In Q1 and Q2 FY21 growth was sequentially 34% and 29% quarter on quarter. The revenue in Q2 FY21 rose to \$989,261. Consistent revenue growth was recorded across the digital, food service and retail sales channels.

During the reporting period, the Company successfully raised AUD\$7.0 million (before costs) from a number of existing shareholders, including a European impact-investment family office, an Australian impact-focused fund and new institutional and high net-worth investors. An additional AUD\$1.5m was also raised via a Share Purchase Plan ("SPP").

PLANT-BASED PROTEIN – MODIFIED LUPIN PROTEIN

During the reporting period, significant technical breakthroughs were achieved by Curtin University and CSIRO related to the commercialisation of a plant-based protein using Australian Sweet Lupin. The advancements included:

- Production of food-grade, lupin protein at pilot scale,
- Reducing and optimising a number of steps in the production process, and
- Confirmation of gelling capacity under a range of conditions.

In December, CSIRO's Food Innovation Centre successfully produced food-grade lupin protein isolate using industrial food processing equipment. The food-grade lupin protein presented a 'neutral' taste which increases the opportunity to be included in a wide range of plant-based protein applications.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

DIRECTOR'S REPORT

Following this milestone, WOA acquired the exclusive, global commercial licence for the proprietary modified lupin protein technology from 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 food ingredient.

OAT MILK DEVELOPMENT AND LAUNCH - OATUP

During the period, the final market testing and recipe development of the Company's Oat Milk was completed successfully. The Company launched OatUP in late December to the West Australian market. OatUP is the world's first carbon-neutral, regenerative oat milk to market.

The launch focused on premium restaurants and cafes in Perth and the South-West of Western Australia. WOA secured a prime distribution agreement with WA's leading speciality food and beverage distributor, European Foods, to market and sell OatUP across their extensive network of cafes, restaurants and supermarkets.

REGENERATIVE FOOD PLATFORM – DIRTY CLEAN FOOD

In Q1 and Q2 FY21 growth in Dirty Clean Food (DCF) revenue was sequentially 34% and 29% quarter on quarter. The revenue in Q2 FY21 rose to \$989,261. Consistent revenue growth was recorded across the digital, food service and retail sales channels. During the reporting period the DCF platform introduced (i) pasture-raised, regenerative chicken, (ii) vegetables & fruit boxes, (iii) Christmas hams and (iv) OatUP.

CARBON NEUTRAL ACTIVITIES

During the period, WOA's OatUP product and WOA Corporate activities were certified "Carbon Neutral" by Climate Active, the Australian government backed initiative for climate action. In addition, both CBH Group and WOA continued to explore the potential certification, marketing and global distribution of carbon neutral grains under the MOU signed on 1 July 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial half-year were the ongoing development of Dirty Clean Food.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2020 has been received and can be found on page 19 required under section 307C of Corporations Act 2001.

Signed for and on behalf of the board in accordance with a resolution of the directors, pursuant to section 306(3)(a) of Corporations Act 2001.



Director:

Dr Ben Cole
Director

Dated this 25th February 2021

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| | Note | 31 Dec 2020 \$ | 31 Dec 2019 \$ |
|---|------|---------------------------|-------------------------|
| Revenue | 2 | 1,752,934 | 491,014 |
| Cost of goods sold | | <u>(1,515,571)</u> | <u>(394,734)</u> |
| Gross profit | | 237,363 | 96,280 |
| Other income | 2 | 241,778 | 321,624 |
| Share of profit of an equity-accounted investment, net of tax | 3 | 941 | - |
| Expenses | | | |
| Amortisation expense | | (8,805) | - |
| Consultancy fees | | (344,778) | (96,458) |
| Depreciation expense | | (16,415) | (15,816) |
| Employee benefits expense | | (875,057) | (592,247) |
| Fair value movement of biological assets | | (4,104) | - |
| Foreign currency losses | | (7,361) | (731) |
| Selling expenses | | (309,898) | (40,403) |
| Share based payments | | (1,985,630) | (135,203) |
| Share of loss of an equity-accounted investment, net of tax | | - | (9,204) |
| Other administration expenses | | <u>(561,172)</u> | <u>(257,463)</u> |
| Loss for the period before income tax expense | | (3,633,138) | (729,621) |
| Income tax expense | | - | - |
| Loss for the period after income tax expense | | (3,633,138) | (729,621) |
| Other comprehensive income: | | - | - |
| Total comprehensive loss for the period | | <u>(3,633,138)</u> | <u>(729,621)</u> |
| Basic loss per share (cents) | | (3.87) | (1.03) |
| Diluted loss per share (cents) | | (3.87) | (1.03) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Note | 31 Dec 2020 \$ | 30 Jun 2020 \$ |
|--------------------------------------|------|---------------------|--------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 14,310,473 | 4,431,385 |
| Trade and other receivables | | 502,346 | 183,823 |
| Biological assets | | 150,840 | 35,668 |
| Inventory | | 699,438 | 169,713 |
| Other | | 32,680 | 17,751 |
| TOTAL CURRENT ASSETS | | <u>15,695,777</u> | <u>4,838,340</u> |
| NON-CURRENT ASSETS | | | |
| Equity-accounted investments | 3 | - | 85,960 |
| Plant and equipment | | 119,992 | 129,937 |
| Right-of-use assets | | 122,008 | - |
| Other | | 223,137 | 200,000 |
| TOTAL NON-CURRENT ASSETS | | <u>465,137</u> | <u>415,897</u> |
| TOTAL ASSETS | | <u>16,160,914</u> | <u>5,254,237</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 435,450 | 290,480 |
| Lease liabilities | | 64,645 | - |
| Provisions | | 73,782 | 51,432 |
| TOTAL CURRENT LIABILITIES | | <u>573,877</u> | <u>341,912</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 4 | 527,097 | 515,498 |
| Lease liabilities | | 57,816 | - |
| Provisions | | 19,780 | 15,633 |
| TOTAL NON-CURRENT LIABILITIES | | <u>604,693</u> | <u>531,131</u> |
| TOTAL LIABILITIES | | <u>1,178,570</u> | <u>873,043</u> |
| NET ASSETS | | <u>14,982,344</u> | <u>4,381,194</u> |
| EQUITY | | | |
| Issued capital | 5 | 22,146,436 | 9,636,717 |
| Options – unlisted | 6 | 2,789,355 | 1,218,401 |
| Options – listed | 6 | 226,435 | 72,820 |
| Accumulated losses | | <u>(10,179,882)</u> | <u>(6,546,744)</u> |
| TOTAL EQUITY | | <u>14,982,344</u> | <u>4,381,194</u> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| 31 December 2020 | Issued Capital | Unlisted Options | Listed Options | Accumulated Losses | Total Equity |
|---|-------------------|---------------------|-------------------|-----------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | 9,636,717 | 1,218,401 | 72,820 | (6,546,744) | 4,381,194 |
| Loss for the period | - | - | - | (3,633,138) | (3,633,138) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (3,633,138) | (3,633,138) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Shares issued under capital raising | 7,000,000 | - | - | - | 7,000,000 |
| Shares issued under share purchase plan | 1,500,040 | - | - | - | 1,500,040 |
| Shares issued on listed options exercised | 1,639,036 | - | - | - | 1,639,036 |
| Shares issued on unlisted options exercised | 3,024,901 | - | - | - | 3,024,901 |
| Shares issued for employee services rendered | 47,756 | - | - | - | 47,756 |
| Capital raising costs | (702,014) | - | - | - | (702,014) |
| Options issued – Share based payments | - | 2,365,430 | - | - | 2,365,430 |
| Options exercised | - | (518,151) | (122,710) | - | (640,861) |
| Unlisted options converted to listed options | - | (276,325) | 276,325 | - | - |
| Balance at 31 December 2020 | 22,146,436 | 2,789,355 | 226,435 | (10,179,882) | 14,982,344 |

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| 31 December 2019 | Issued Capital \$ | Unlisted Options \$ | Listed Options \$ | Accumulated Losses \$ | Total Equity \$ |
|---|-------------------------|---------------------------|-------------------------|-----------------------------|--------------------|
| Balance at 1 July 2019 | 6,666,094 | 632,338 | 56,058 | (4,690,629) | 2,663,861 |
| Loss for the period | - | - | - | (729,621) | (729,621) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | (729,621) | (729,621) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Options issued – Share based payment | - | 135,203 | - | - | 135,203 |
| Options issued – Listed options | - | - | 16,876 | - | 16,876 |
| Balance at 31 December 2019 | 6,666,094 | 767,541 | 72,934 | (5,420,250) | 2,086,319 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| | 31 Dec 2020 | 31 Dec 2019 |
|---|--------------------|------------------|
| Note | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 1,609,478 | 458,448 |
| Payments to suppliers and employees | (4,165,507) | (1,643,587) |
| Interest received | 40,273 | 9,175 |
| Interest and other costs of finance paid | - | (2,789) |
| Reimbursements from Common land | - | 284,921 |
| Grants received | 129,532 | - |
| Government grants received | 50,000 | - |
| Net cash flows (used in) operating activities | <u>(2,336,224)</u> | <u>(893,832)</u> |
| Cash flows from investing activities | | |
| Proceeds from sale of plant and equipment | 7,487 | - |
| Payments for acquisition of plant and equipment | (14,171) | (54,169) |
| Payments for secured loans | (25,000) | - |
| Repayments of secured loans | 1,863 | - |
| Purchase of investment in equity-accounted investments | - | (50,000) |
| Proceed from disposal of investment in equity-accounted investments | 53,750 | - |
| Net cash flows from/(used in) investing activities | <u>23,929</u> | <u>(104,169)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares (net of issue costs) | 12,200,903 | 15,000 |
| Repayment of borrowings | - | (5,432) |
| Repayment of lease liabilities | (9,520) | - |
| Net cash flows from financing activities | <u>12,191,383</u> | <u>9,568</u> |
| Net increase/(decrease) in cash and cash equivalents | 9,879,088 | (988,433) |
| Cash and cash equivalents at the beginning of the period | <u>4,431,385</u> | <u>3,280,077</u> |
| Cash and cash equivalents at the end of the period | <u>14,310,473</u> | <u>2,291,644</u> |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

1 Statement of Significant Accounting Policies

The financial statements cover Wide Open Agriculture Limited and its subsidiaries as a consolidated entity (Group). Wide Open Agriculture Limited is a company limited by shares, incorporated and domiciled in Australia.

a. Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

b. Segment Reporting

The Group operates in the agriculture industry in Australia. For management purposes, the Group is organised into one main operating segment which involves sales and marketing of fresh produce in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

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WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| 2 Revenue and Other Income | 31 Dec 2020 | 31 Dec 2019 |
|--|------------------------|----------------------|
| | \$ | \$ |
| Revenue from contracts with customers | | |
| Sale of goods | 1,752,934 | 491,014 |
| | <hr/> | <hr/> |
| Other Income | | |
| Rent received ¹ | 4,500 | 4,500 |
| Grants & incentives ² | 179,532 | 275,167 |
| Interest income | 37,230 | 26,215 |
| Consulting fees | - | 5,796 |
| Gain on disposal of assets | 20,384 | 606 |
| Other income | 132 | 9,340 |
| Total other income | <hr/> 241,778 | <hr/> 321,624 |
| Total | <hr/> 1,994,712 | <hr/> 812,638 |

¹ Rent received is from McAlpine Farms which is owned by Buntine Holdings Pty Ltd.

² Grants and incentives received relate to Commonland grant funding received for carrying out 4 Returns work and to fund investments in Agtalent. Also included is COVID-19 government stimulus grants.

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions

| | | |
|-----------|-----------|---------|
| Australia | 1,752,934 | 491,014 |
| | <hr/> | <hr/> |

Timing of revenue recognition

| | | |
|--------------------------------------|-----------|---------|
| Goods transferred at a point in time | 1,752,934 | 491,014 |
| | <hr/> | <hr/> |

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WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

3 Investments

At 30 June 2020, the Group held a 20% interest in Farmfolk Services Pty Ltd and accounted for the investment as an equity-accounted investment. On 1 November 2020, the Group disposed of its interest to a third party for a consideration of \$107,500. This transaction has resulted in the recognition of a gain in the statement of profit or loss and other comprehensive income, calculated as follows:

| | 31 Dec 2020 | 30 Jun 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Farmfolk Services Pty Ltd | | |
| Cost accounted for | 100,000 | 100,000 |
| Share of loss from prior periods | (14,040) | - |
| Share of profit/(loss) for the current period | 941 | (14,040) |
| Carrying amount | <u>86,901</u> | <u>85,960</u> |
| | | |
| Proceeds of disposal | 107,500 | - |
| Less: Carrying amount on the date of disposal | (86,901) | - |
| Gain on disposal recognised at other Income | <u>20,599</u> | <u>-</u> |

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

4 Fair Value Measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability that the entity can access at the measurement date

Level 3: Unobservable inputs for the asset or liability

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|---------|---------|---------|
| | \$ | \$ | \$ | \$ |
| 31 December 2020 | | | | |
| Non-current liabilities | | | | |
| Shareholder loan | - | 527,097 | - | 527,097 |
| Total liabilities | - | 527,097 | - | 527,097 |

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|---------|---------|---------|---------|
| | \$ | \$ | \$ | \$ |
| 30 June 2020 | | | | |
| Non-current liabilities | | | | |
| Shareholder loan | - | 515,498 | - | 515,498 |
| Total liabilities | - | 515,498 | - | 515,498 |

There were no transfers between levels during the financial half-year.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar liabilities.

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WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| 5 Issued Capital | 31 Dec 2020 | 30 Jun 2020 | 31 Dec 2020 | 30 Jun 2020 |
|-------------------------|--------------------------|-------------------------|---------------------------|--------------------------|
| | \$ | \$ | Shares | Shares |
| Ordinary Shares | 23,509,123 | 10,297,390 | 105,405,352 | 82,208,774 |
| Capital Raising Costs | (1,362,687) | (660,673) | - | - |
| | <u>22,146,436</u> | <u>9,636,717</u> | <u>105,405,352</u> | <u>82,208,774</u> |

(a) Movement in Ordinary share capital

| | No. Of shares | Issue Price | Total |
|-----------------------------|---------------------------|--------------------|--------------------------|
| | | \$ | \$ |
| Balance at 1 July 2020 | 82,208,774 | | 9,636,717 |
| Shares Issued | 9,444,445 | 0.90 | 8,500,040 |
| Shares Issued | 202,710 | 0.24 | 47,756 |
| Options Exercised | 1,945,000 | 0.15 | 454,584 |
| Options Exercised | 500,000 | 0.20 | 130,589 |
| Options Exercised | 600,000 | 0.25 | 163,128 |
| Options Exercised | 8,854,423 | 0.30 | 3,090,636 |
| Options Exercised | 1,650,000 | 0.50 | 825,000 |
| Less: Transaction Costs | - | - | (702,014) |
| Balance at 31 December 2020 | <u>105,405,352</u> | | <u>22,146,436</u> |
| Balance at 1 July 2019 | 70,579,249 | | 6,666,094 |
| Shares Issued | 11,111,112 | 0.27 | 3,000,000 |
| Shares Issued | 141,978 | 0.24 | 33,542 |
| Shares Issued | 18,285 | 0.30 | 5,500 |
| Options Exercised | 350,000 | 0.15 | 81,802 |
| Options Exercised | 8,150 | 0.30 | 2,659 |
| Less: Transaction Costs | - | - | (152,880) |
| Balance at 30 June 2020 | <u>82,208,774</u> | | <u>9,636,717</u> |

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

| 6 Options | 31 Dec 2020 | 30 Jun 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| (a) Unlisted Options | | |
| Balance at beginning of period | 1,218,401 | 632,338 |
| Options issued | 2,365,430 | 615,365 |
| Unlisted options converted into listed options | (276,325) | - |
| Options exercised transferred to issued capital | (518,151) | (29,302) |
| Balance at end of period | <u>2,789,355</u> | <u>1,218,401</u> |
| (b) Listed Options | | |
| Balance at beginning of period | 72,820 | 56,058 |
| Options issued | - | 16,876 |
| Unlisted options converted into listed options | 276,325 | - |
| Options exercised transferred to issued capital | (122,710) | (114) |
| Balance at end of period | <u>226,435</u> | <u>72,820</u> |

On 14 October 2020 Euroz Securities Limited were issued 1,000,000 unlisted options, exercisable at \$1.125, expiring on 13 April 2022, pursuant to the lead manager agreement between WOA and Euroz Securities Limited.

On 23 November 2020 at the Annual General Meeting of Shareholder it was approved to issue Directors 3,250,000 unlisted options, exercisable at \$1.28, expiring on 30 November 2024. A further 375,000 unlisted options were issued to consultants for nil consideration under the employee incentive scheme.

During the period for the 6 months ended 31 December 2020, in accordance with the terms of the 'piggy back options' issued in the IPO, 3,800,000 unlisted options were issued, exercisable at \$0.50, expiring on 31 December 2023.

Options issued in the form of share based payments are valued using the Hoadley EOS 2 valuation model. For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Number of options issued | Valuation Date | Expiry Date | Spot Price | Exercise Price | Volatility | Risk-free interest rate | Dividend Yield | Early Exercise Multiple | Fair Value |
|---------------------------------|-----------------------|--------------------|-------------------|-----------------------|-------------------|--------------------------------|-----------------------|--------------------------------|-------------------|
| 1,000,000 | 14/10/2020 | 13/04/2022 | \$0.965 | \$1.125 | 100% | 0.15% | 0% | 2.5x | \$0.3798 |
| 3,625,000 | 23/11/2020 | 30/11/2024 | \$1.050 | \$1.280 | 100% | 0.28% | 0% | 2.5x | \$0.5478 |

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

7 Commitments

On 29 July 2016, the Group entered into a contract to acquire land from Buntine Holdings Pty Ltd with a deferred consideration element. The details are:

- Price of the land was \$323,879.
- Deposit of \$50,000 paid on 29 July 2016 in the form of 1,000,000 shares at 0.05c each
- Partial payment of \$150,000 was made on 13 August 2018.
- Remaining consideration to be paid in full no later than 8 years from 23 March 2016.
- Interest to be paid on this outstanding amount at the annual rate of the RBA base rate plus 2.5%. This has been treated as operational expense as Right of access and use.
- The land has not been accounted for as fixed assets.

On 20 November 2020, the Group exercised its option pursuant to the Option and Licence Agreement to acquire exclusive commercial licence for the proprietary modified lupin protein technology developed and patented by Curtin University. Details of the royalties payable to Curtin University under the agreement are as follows:

- Royalties payable by the Group to Curtin University on the basis of:
 - a Production – a royalty of \$120 per tonne of lupin protein isolate produced or manufactured by the Group;
 - b High sale value – a royalty of 12.5% of net sales revenue in excess of \$6,000 per tonne of royalty sales product; and
 - c Sub-licence revenues – a royalty of 12.5% of revenue derived by sub-licences.

Minimum annual royalty payable by the Group to Curtin University as noted below:

- Commencing on year 3 after the commencement date of the licence of \$25,000;
- Commencing on year 4 after the commencement date of the licence of \$35,000;
- Commencing on year 5 after the commencement date of the licence of \$50,000 per year averaged over a 3 year periods; and
- Commencing on year 8 after the commencement date of the licence of \$75,000 per year until the end of the term and averaged over 3 year periods.

| | 31 Dec 2020 | 30 Jun 2020 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Not longer than one year | 4,496 | 176,389 |
| Longer than one year, but not longer than five years | 183,879 | 123,879 |
| Longer than five years | 750,000 | 811,863 |
| | 938,375 | 1,112,131 |
| Short Term Operating Lease Commitment | 4,496 | 7,536 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

Commitments for expenditure for the financial half-year within one year represent payment for office lease costs.

Commitments for expenditure for the financial half-year longer than one year, but not longer than five years represent deferred consideration of purchase of Kulinbah East Block from Buntine Holdings Pty Ltd, and payment of the minimum annual royalties to Curtin University of \$60,000.

Commitments for expenditure for the financial half-year over five years represent payment of minimum annual royalties to Curtin University of \$750,000.

Other than the interests disclosed above there were no further commitments as at 31 December 2020.

8 Controlled Entities Disclosure

On 24th of August 2020, the subsidiary Wide Open Hemp Pty Ltd changed its name to Wide Open Plant Protein Pty Ltd.

There have been no other changes to the entities and group structure.

9 Dividends

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2020.

10 Contingent liabilities and assets

There were no material changes to contingent liabilities or assets since 30 June 2020.

11 Significant Events After the Reporting Date

No matter or circumstance has arisen subsequent to the end of the reporting date which has significantly affected the operations of the Group, the results of the operations or the state of affairs of the Group.

WIDE OPEN AGRICULTURE LIMITED
ABN 866 049 138 22
FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The consolidated financial statements and notes as set out in this half-year financial report, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Australian Accounting Standards AASB134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date;
2. In the director's opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors, made pursuant to section 303(5)(a) of Corporations Act 2001.

On behalf of the directors



Director: _____

Dr Ben Cole
Director

Dated this 25th February 2021

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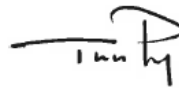
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Wide Open Agriculture Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 25 February 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
WIDE OPEN AGRICULTURE LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wide Open Agriculture Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wide Open Agriculture Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Wide Open Agriculture Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

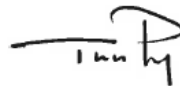
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wide Open Agriculture Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 25 February 2021

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