

Wiseway Group Limited

ASX: WWG

Investor Presentation 17th AgFood Virtual Conference

29 April 2020



WISEWAY

Contents

Company overview	3
Trading update	10
Questions	14
Appendix	15

Presenter:

Florence Lee Managing Director

Company/investor enquiries:
admin@wiseway.com.au

Media/investor enquiries:
+61 (0)435 570 690
Wiseway@symbolstrategic.com.au



Company overview

Wiseway: no.1 Australia-Asia air freight forwarder and provider of integrated logistics

National footprint in Australia and expansion in New Zealand	<ul style="list-style-type: none">• Accredited Regulated Air Cargo Agent in Australia and New Zealand• Customs bonded warehouse capability across all 9 branches• Accreditation to export perishables• Size of facilities: 32,500 m² in total
Customers	<ul style="list-style-type: none">• Over 700 customers with the top 10 representing ~50% of 1H20 revenue
New business divisions	<ul style="list-style-type: none">• Perishables (fresh produce, food commodity, wine)• Airtruck – interstate road transportations – ‘food movers’• Imports• Seafreight export• Airnex – cargo sales agent
Fleet	<ul style="list-style-type: none">• More than 100-fleet including roller trucks, B-Double, semi-trailer, container and rigid trucks
Headcount	<ul style="list-style-type: none">• Strengthened management team of industry experts• ~130 full-time employees

15 years industry experience

9 IATA accredited branches

8 business divisions

Business milestones represent a step-change in scale and reach

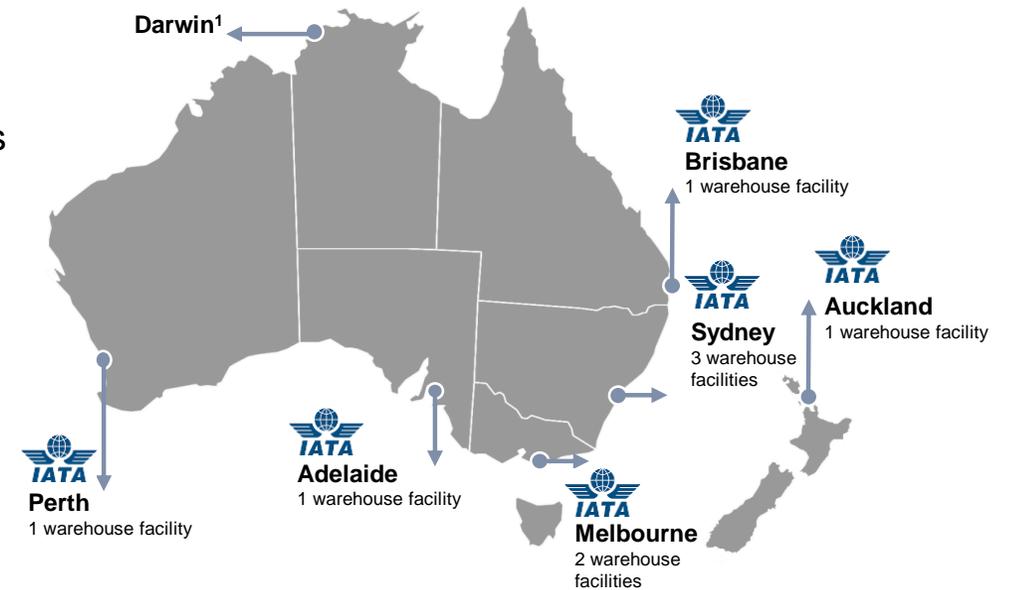
Expanded capabilities in 2H19/1H20:

- ✓ Achieved national bonded warehouse footprint
- ✓ Perishables export Australia-Asia
- ✓ Strategic partnerships with several airlines to provide interstate trucking services
- ✓ Expansion into New Zealand with Auckland warehouse facility

No. 1 Australia-Asia air freight forwarder

Top 3 outbound air freight logistics provider in Australia

Australia-New Zealand footprint of warehousing facilities



Note:
1. Darwin branch is managed by an exclusive local agent

Established platform for growth

Asia-focused specialist provider



Strategic relationships with airlines

- ✓ Long-standing relationships with major international airlines, particularly on Australia to Asia routes
- ✓ Wiseway has been appointed GSA (exclusive) and CSA (non-exclusive) for major Asian airlines



Long-standing customer relationships

- ✓ Wiseway has supported the growth of many suppliers, distributors and parcel express companies from infancy to established market players
- ✓ Wiseway has numerous established customers, who have been using its services for more than five years



Unique understanding of market needs

- ✓ Wiseway has a unique understanding of cross-border e-commerce market and perishables regulation



Trans-Tasman footprint

- ✓ Presence in six Australian capital cities and Auckland
- ✓ Can attract large suppliers, distributors and parcel express companies who require multi-city services



More competitive freight rates

- ✓ Top outbound freight forwarder to Asia enables competitive freight rates and sufficient space capacity
- ✓ Top three freight forwarder to worldwide



One-stop shop

- ✓ Services in export air freight, sea freight, perishables, customs clearance, warehousing, import e-commerce and domestic transportation
- ✓ RACA designated and permitted
- ✓ Customs bonded warehouse Australia wide and in New Zealand

Scale advantage

Defensible and growing market position with high barriers to entry

Income diversification through eight business divisions

We have continued to build, transform and strengthen the business via the introduction of a more diversified income stream

Wiseway Group Limited

Export			Import	Domestic transport	GSA/CSA	Regional	
Dry cargo (air freight) 	Perishables (air freight) 	Sea freight 	General cargo & e-commerce 	Airtruck 	Airnex 	Auckland, New Zealand 	Shanghai, China 
<ul style="list-style-type: none"> • Platforms • Suppliers • Parcel consolidators 	<ul style="list-style-type: none"> • Seasonal fruit • Seafood • Meat • Fresh milk 	<ul style="list-style-type: none"> • General food commodities • Australian produce • Wine 	<ul style="list-style-type: none"> • General cargo imports clearance and delivery • E-commerce parcel imports and distribution 	<ul style="list-style-type: none"> • Interstate and road transport business • Servicing wholesalers, manufacturers and airlines 	<ul style="list-style-type: none"> • Cargo sales for airlines • Managing more than 70 flights per week from Sydney, Melbourne, Brisbane, Perth, Darwin, Cairns and Auckland • Servicing third-party freight forwarders 	<ul style="list-style-type: none"> • IATA accredited • Operations and Business team built up • Designated Customs Controlled Area (CCA) 	<ul style="list-style-type: none"> • Assisting business from China to Australia • Shanghai office established

Wiseway is strategically positioned for long-term growth

Wiseway's growth strategy is focused on three key components

1

Maintain core growth

- Continue to increase the efficiency of logistics networks and improving service offering
- Investment in digital processes and automation to continuously improve client service
- Continue to leverage its Trans-Tasman presence to deepen its relationship with key Asian e-commerce platforms and suppliers
- Continue strong organic growth from expanded warehouses and facilities

2

Accelerate new growth

- Leveraging partnership opportunities that result from increasing demand in the Asia-Pacific region
- Invested in outbound perishables and bonded warehouses
- Platform established for inbound e-commerce parcels from the greater Asian region via customs depots and bonded warehouse facilities in all major Australian capital cities
- RACA designated and fully accredited

3

Regional business development

- International expansion in the Asia-Pacific region by leveraging Wiseway's extensive expertise in outbound and inbound air freight, sea freight and existing partnerships with airlines
- Opened an office in Shanghai and registered a fully owned subsidiary Wiseway Shanghai
- Expanded operations in Auckland, New Zealand

Successful strategy of growth

Synergies and leverage will support diversified income streams and long-term growth

Investing in Wiseway

Business strength:

- ▶ Strategically positioned for long-term growth
- ▶ Truly diversified income
- ▶ National presence with bonded warehouse capability across the Australian mainland and in Auckland, New Zealand
- ▶ Strengthened management team of industry experts
- ▶ IT infrastructure in place for highly efficient digital capacity management

Positioned for growth:

- ▶ Fit-for-purpose in the evolving freight market between Australia and Asia
- ▶ Capability to take advantage of emerging trends and growing demand
- ▶ Expanded capability to export fruit to Asia
- ▶ Offer optionality to our clients

ASX: WVG (listed 31 October 2018)

Global Industry Classification Standard

- Transportation

Shares issued

- 140,318,769

Market cap

- \$16.8 million (as at 21 April 2020)

Financial year-end

- 30 June

Board

- **Michael Hughes**, Non-executive Chairman
- **Roger Tong**, Co-founder, CEO & Director
- **Florence Lee**, Co-founder & Managing Director
- **Lin Xu**, Non-Executive Director (AZ Global)
- **Stephen Chan**, Non-Executive Director

Shareholders

- **Directors** 41.05%
- **AZ Global** 19.75%
- **SG Hiscock** 5.06%
- **Free float** 34.14%



Trading update

COVID-19 recovery

- As an essential service provider during the COVID-19 pandemic, Wiseway has continued to operate its import and export services between Australia and Asia.
- Flight restrictions imposed by the Australian Government (1 Feb 2020) have caused disruption to established Australia-Asia trade pathways, as the cargo space previously available on passenger airlines is no longer available.
- Wiseway recognised the opportunity in this disruption to demonstrate its leadership in Australian-Chinese trade relations.
- It has leveraged its relationships with airlines, shipping lines and local trucking companies, to ensure customers' cargo can still get in and out of Asia through a combination of alternative routes.
- With both Australian and Chinese customers turning to Wiseway for help in finding solutions to this difficult logistical challenge, Wiseway has been able to forge new relationships and demonstrate their primacy in Australia-Asia trade logistics to a new audience.
- The market has seen a decline in freight capacity in order of 95 per cent due to flight cancellations.
- In the new environment, Wiseway secured cargo space by chartering flights to Guangzhou and Chongqing in China, and Saigon, Vietnam. This has significantly increased Wiseway's capability to continue servicing demand for air freight.

Trading Update Q3 FY20: 1 January – 31 March 2020

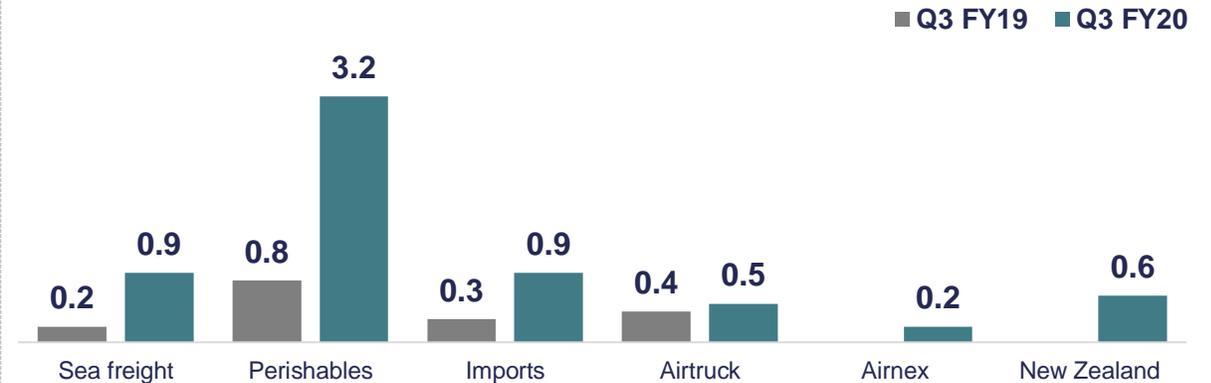
Growth in revenue supported by new business divisions:

- Sales revenue (unaudited) of \$25.1 million, an increase of \$3.7 million or 17 per cent on the previous corresponding period, supported by growth in new business divisions including perishables.
- Revenue for the financial year to date was higher, \$69.8 million, up 2 per cent on the previous corresponding period.
- Higher freight volumes of 19,127 tonnes, up by 10 per cent largely from stronger sea freight.

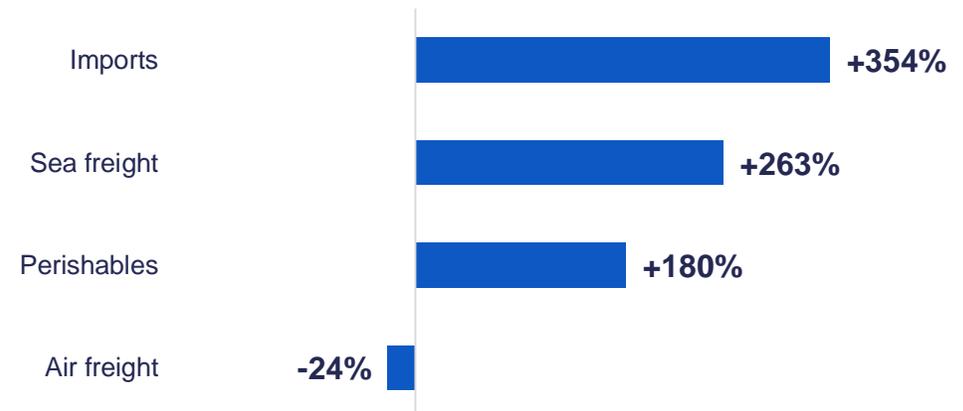
New clients:

- Major new customer wins, including large Australian exporters, due to the business maintaining its freight capacity in a tightening market.

Revenue growth from new business divisions (Q3 FY20, \$ million)



Freight volume (Q3 FY20 vs Q3 FY19)



Attractive perishables market provides next wave of growth for Wiseway

Wiseway leverages the scale and flexibility of its global logistics platform to meet increased demand

Wiseway's platform for exporting perishables to Asia:

- Perishable products are delivered to Wiseway's cold storage facilities, packaged into Wiseway's airline approved storage units, transported to an airport using Wiseway's roller trucks and lifted directly into the plane and air freighted to China
- Delivery of time-sensitive Australian based perishable products to Asia-Pacific customers within 24 hours, which is likely to then attract a premium price
- New clients (seafood, grape growers, dairy product manufacturers)
- Additional cargo space on chartered flights to China and Vietnam supports Wiseway's capability to continue servicing demand for air freight

Airtruck – interstate 'food-movers' in Australia:

- Value-add service to air freight clients, manufacturers and distributors
- Primary purpose is to provide air freight clients a door-to-port service and to utilise air space capacity of different origin airports
- Fleet of over 100 trucks, including roller, B-Double, container, semi-trailer, and rigid trucks
- Wiseway's trucks run daily between Melbourne, Sydney and Brisbane



Questions



Appendix

Balance sheet update

- IPO raised \$20 million capital
- 20 March 2020 cash balance of \$5.0 million (31 December 2019: \$3.6 million; 30 June: \$4.6 million)
- We have now completed all expansion projects envisioned pre-IPO
- Total equity as at 31 December 2019: \$22.3 million

History

2005	2011 - 2014	2015	2016	2017 - 2018	2019 - 2020
<ul style="list-style-type: none"> - Wiseway founded - Sydney warehouse 	<ul style="list-style-type: none"> - Customs and quarantine depot - Melbourne warehouse 	<ul style="list-style-type: none"> - Dairy export approved - Brisbane warehouse 	<ul style="list-style-type: none"> - GSA agreements - Adelaide and Perth warehouses 	<ul style="list-style-type: none"> - Darwin warehouse - IPO 	<ul style="list-style-type: none"> - Accredited Regulated Air Cargo Agent - Accredited for fruit exports from Australia to Asia - Customs clearance warehouses/facilities Australia-wide - Expansion to New Zealand - Strategic partnership with airlines to provide interstate trucking services - Shanghai office established



Fumigation and cold-treatment facilities in Melbourne and Sydney support Wiseway's perishables business division



Wiseway's 100+ fleet comprises roller trucks, B-Double, semi-trailer, container and rigid trucks – run daily between Melbourne, Sydney and Brisbane



Wiseway has customs bonded warehouse capability across all nine branches in Australia and New Zealand

Disclaimer

This presentation contains summary information about Wiseway Group Limited (WiseWay) and its subsidiaries and their activities. The information in this presentation does not purport to be complete. It should be read in conjunction with Wiseway's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek independent professional advice appropriate to their jurisdiction and circumstances.

To the maximum extent permitted by law, no responsibility for any loss arising in any way from anyone acting or refraining from acting as a result of this information is accepted by Wiseway, any of its related bodies corporate or its directors, officers, employees, professional advisers and agents (Related Parties). No representation or warranty, express or implied, is made by any person, including Wiseway and its Related Parties, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation.

An investment in Wiseway securities is subject to investment and other known and unknown risks, some of which are beyond the control of Wiseway or its directors. Wiseway does not guarantee any particular rate of return or the performance of Wiseway securities.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Wiseway and associated entities of Wiseway and certain plans and objectives of the management of Wiseway. Forward-looking statements can be identified by the use of forward-looking terminology, including, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may" or "will", and similar expressions. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Wiseway to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Wiseway's present and future business strategies and the political, regulatory and economic environment in which Wiseway will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved. Forward-looking statements speak only as at the date of this presentation and to the maximum extent permitted by law, Wiseway and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, any assumptions or expectations set out in this presentation).

All figures in this presentation are A\$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this presentation.