



FY21 Results Presentation

15 September 2021

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1) Based on the Company’s FY21 Preliminary Annual Report (Appendix 4E) released on 31 August 2021










FY21 Results Overview



A significant FY21 net profit result – strong growth momentum in the business

Key financial highlights

-  **\$1.8m**
Net Profit After Tax
-  **\$8.1m**
EBITDA
Up 86% from pcp
+1.5 pts to EBITDA margin
-  **\$126.0m**
Group Revenue
Up 23.5% from pcp
-  **\$7.0m**
Operating Cash Flow
Up 83% from pcp
-  **\$42.0m**
Revenue from non-traditional
business segments
Up 84% from pcp

Business highlights



First full-year profit since listing in 2018, driven by significant revenue growth and benefits of scale and operating leverage



Revenue more than doubled in key divisions of perishables, sea freight, road transportation, and imports and distribution, with continued diversification of the Group's income streams across segments, regions and customers



Expanded market share in the e-commerce platform industry across different sectors, and diversified customer base by providing safe and superior integrated logistics solutions

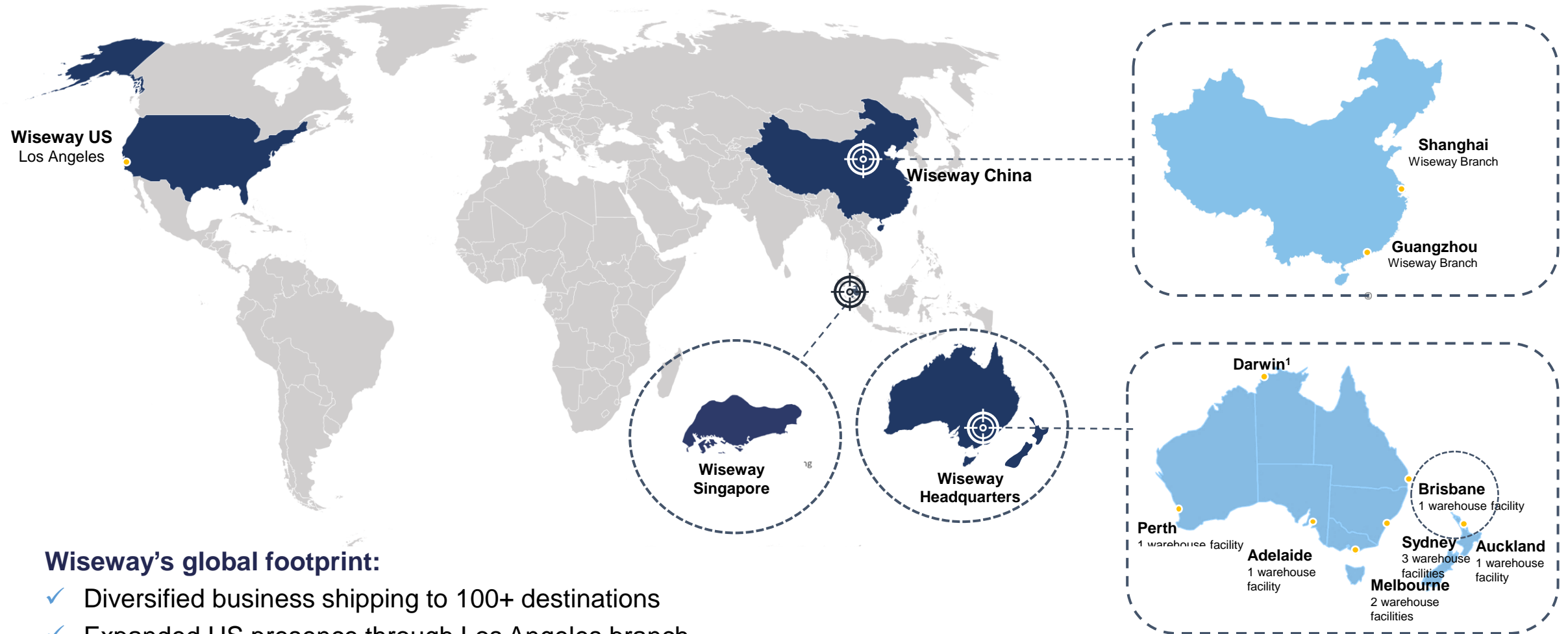


Focused on expanding the team capabilities in the key growing segments of perishables and imports and distribution, providing the required foundation for growth



Developed and deployed proprietary technology and software solutions ("**WiseOps**" and "**ePLink**") that delivered cost savings and improved profitability

Global growth strategy – expansion into US and Singapore

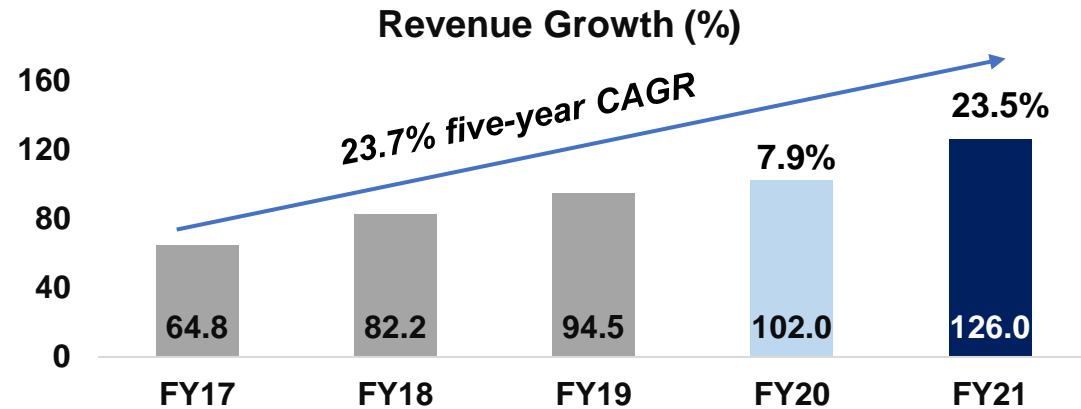


Wiseway's global footprint:

- ✓ Diversified business shipping to 100+ destinations
- ✓ Expanded US presence through Los Angeles branch
- ✓ Wiseway Singapore serving Southeast Asian market
- ✓ Two branches in China (Shanghai and Guangzhou) with expanded team capabilities
- ✓ 10 Regulated Air Cargo Agent ("RACA") locations across Asia-Pacific; 8 IATA-accredited

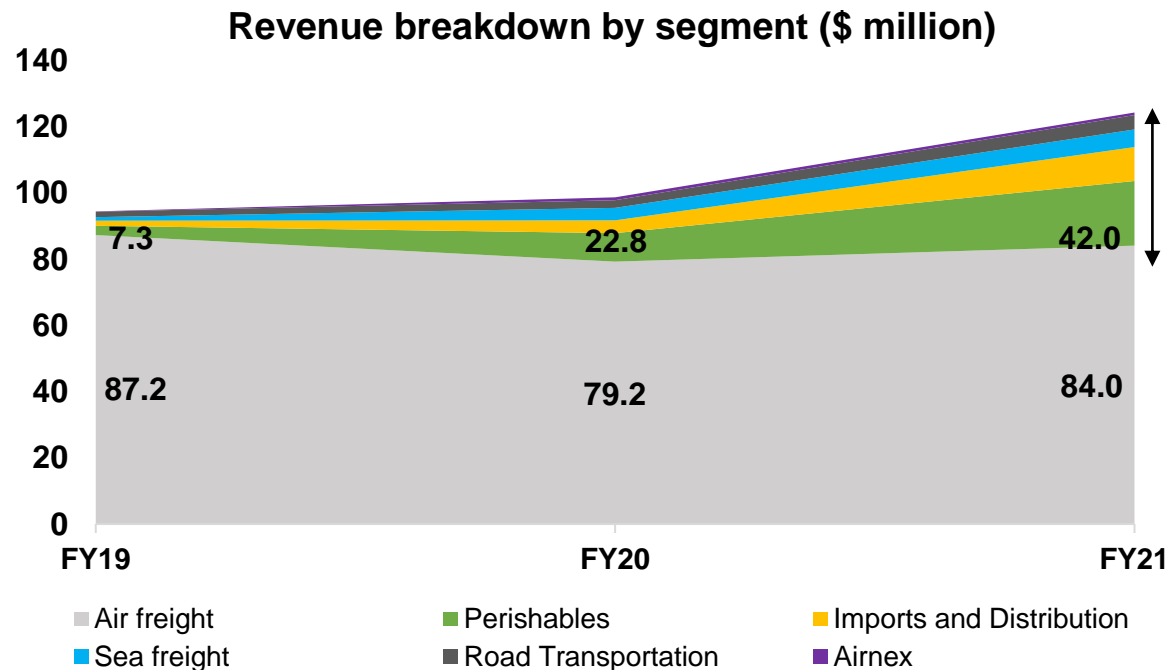
1. Darwin branch is managed by an exclusive local agent

Strong momentum in organic revenue growth



Strong organic revenue growth

- 23.5% increase in Group revenue driven predominantly by significant growth in non-traditional business segments
- Freight volumes more than doubling in perishables and imports, driven by the expansion of team and operations
- Expanded market share with e-commerce platforms, acquiring new customers from a variety of industries



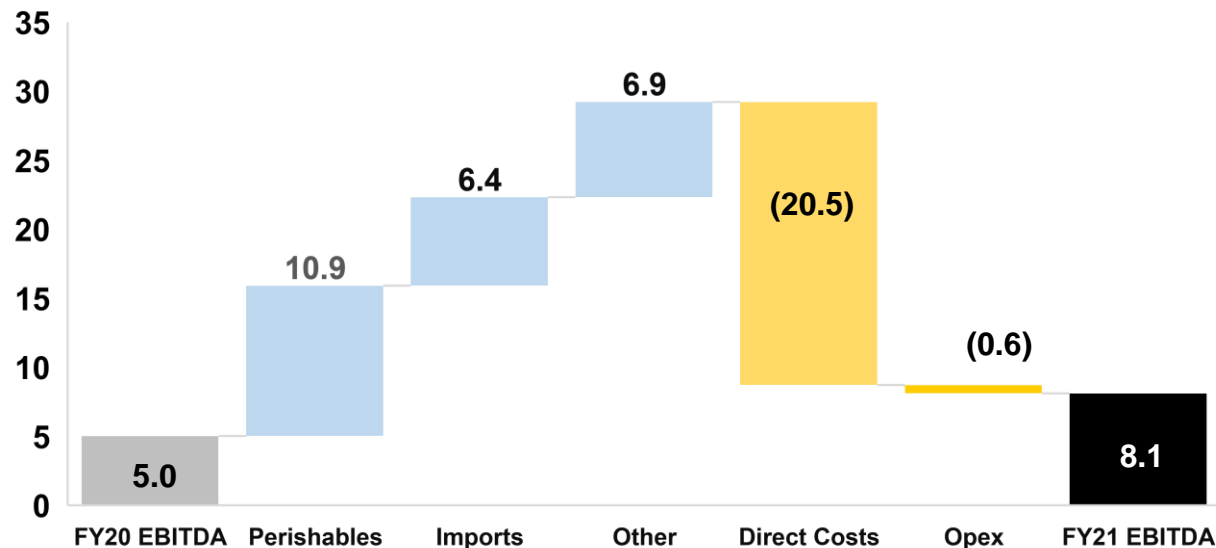
Non-traditional segments driving growth

- Perishables up 127%, with growing demand for high-quality Australian fresh produce, seafood, and dairy products
- Sea freight up 43%, driven by robust demand for perishable goods, namely fresh fruits
- Imports and distribution up 164%, supported by the Company's expanding footprint serving the e-commerce sector
- Interstate road transportation up 87%, supporting the ground transportation operations of key regional airlines
- Dry air freight up 6%, contributing \$84.0 million to total revenue, despite ongoing flight and capacity restrictions

A step change in profitability

(\$m unless stated otherwise)	FY21	FY20	Change %
Revenue	126.0	102.0	23.5%
Direct expenses	(95.2)	(74.7)	27.4%
Gross profit	30.8	27.3	12.8%
Gross margin	24.4%	26.7%	-2.3 ppts
Operating expenses	(23.5)	(22.9)	+2.6%
EBITDA	8.1	5.0	+62.0%
EBITDA margin	6.4%	4.9%	+1.5 ppts
NPAT	1.8	(3.4)	152%
Earnings Per Share (EPS), cents	1.25	(2.47)	150.6%

EBITDA Bridge (\$ million)



Strong financial and operating performance

- A notable turnaround in profitability as the business realises benefits of scale and operating leverage
- Gross profit was \$30.8 million up 12.8% from FY20
- Operating expenses were up 2.6% to \$23.5 million, as a result of additional hiring to expand the teams in perishables and imports and on-ground team in China
- 62% increase in EBITDA , with a 1.5 ppts improvement in EBITDA margin, as a result of strong revenue growth and prudent cost management
- NPAT turning positive for the first year since listing in 2018, at \$1.8 million compared to a \$3.4 million net loss in FY20

A strong balance sheet supporting future growth

Balance Sheet	30 Jun 2021	30 Jun 2020	Change %
Cash and cash equivalents	9.9	8.6	15.4%
Trade and other receivables	6.7	8.3	-18.9%
Other current assets	<u>4.3</u>	<u>2.7</u>	64.4%
Total current assets	21.0	19.6	7.5%
Fixed & non-current assets	42.5	43.6	-2.5%
Total assets	63.6	63.2	0.6%
Trade and other liabilities	9.4	7.6	23.7%
Short term borrowings	9.3	10.2	-8.5%
Total current liabilities	18.7	17.7	5.2%
Loans and debt financing	5.2	4.8	8.4%
Leases and other non-current liabilities	14.2	16.9	-15.9%
Total Liabilities	38.1	39.4	-3.4%
Net Assets	25.5	23.7	7.3%

Financial Debt ¹	11.5	13.5	-14.9%
Net Financial Debt ¹	1.5	4.9	-68.4%
Debt/Equity (%)	45%	56.8%	-11.8 ppts
Net tangible assets/share (cents)	5.5	4.2	30.7%

1) Excludes finance lease liabilities under AASB 16

Diligent working capital practices

- Strong liquidity with a steady current ratio of 1.1
- Evident 18.9% reduction in receivables balances, with Days Sales Outstanding (DSO) decreasing from 27 days to 19 days, reflecting timely collection and diligent management of customer credit
- Deferred Tax Asset balance of \$1.3 million as of 30 June 2021, expected to be fully utilised in FY22
- Strong partnerships and favourable credit terms with suppliers and service providers

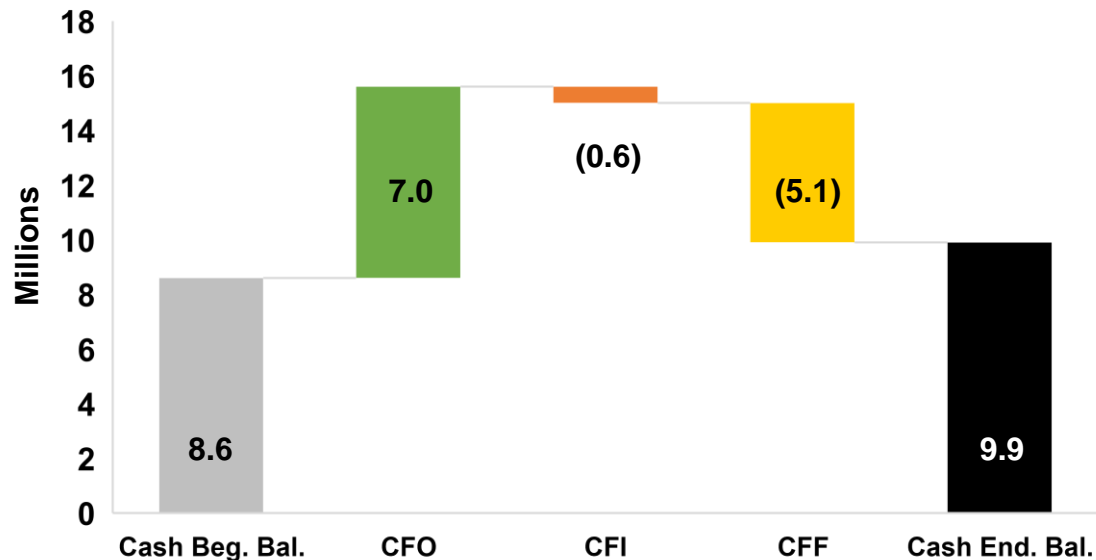
Strategic capital management

- Strong balance sheet to support future business growth and potential strategic opportunities (including TAF acquisition in August 2021)
- Prudent financial debt levels with ~\$10 million in cash and cash equivalents as of 30 June 2021, and net financial debt of \$1.5 million
- Notable improvement in financial leverage with D/E ratio decreasing from 56.8% to 45.0%
- Strategic planning to ensure ability to meet future obligations

A strong cash flow position

(\$m unless stated otherwise)	FY21	FY20	Change %
Net cash from operating activities	7.0	3.8	+83%
Net cash from investing activities	(0.6)	(3.0)	-81.2%
Net cash used for financing activities	(5.1)	3.1	-163.0%
Net increase/(decrease) in cash	1.4	3.9	-68.5%
Cash at the beginning of the period	8.6	4.6	86%
Cash at the end of the period	9.9	8.6	15.4%

FY21 Cash flow movements



Operating cash flow

- Operating cash flow up 83%, driven by strong operating performance and prudent working capital management
- Strong cash position with ~\$10 million in cash and cash equivalents, as of 30 June 2021

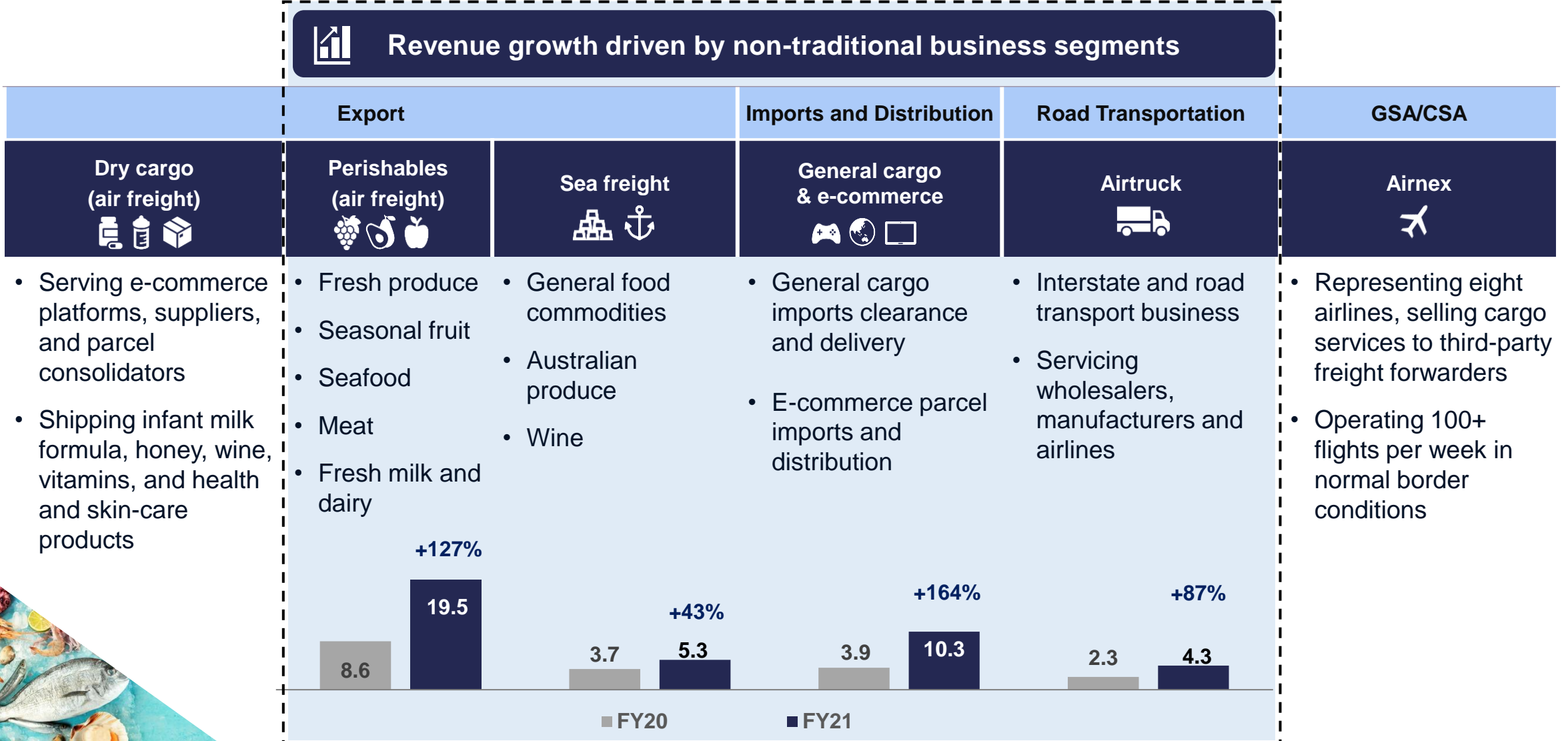
Investing activities

- Invested \$0.6 million in new trucks and trailers to expand the transportation fleet

Financing activities

- Strong operating cash flows supporting timely debt repayment, with a \$0.3 million reduction in loans and borrowings and a payment of \$4.8 million to financing and lease liabilities
- Access to a \$5.0 million drawing facility to fund the Company's operations and growth initiatives when needed (fully drawn as of 30 June 2021)

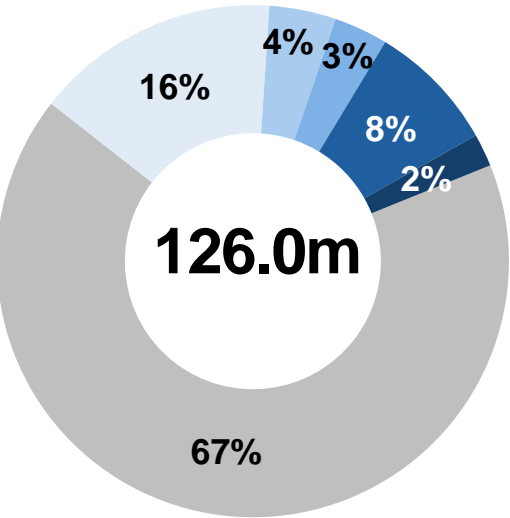
An integrated freight and logistics operator with diversified income streams



A diversified business across segments, customers and geographies

37%

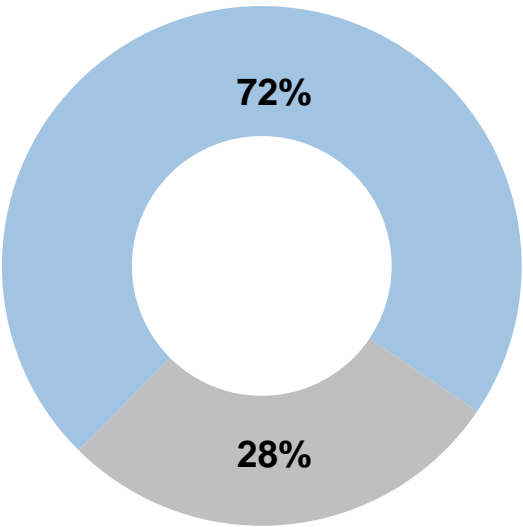
Revenue contribution from non-traditional business segments



- Dry Air Freight
- Sea Freight
- Import and Distribution
- Perishables
- Road Transportaion
- Other

28%

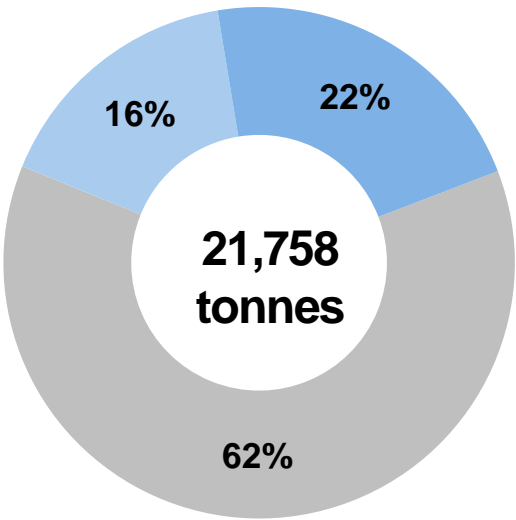
Revenue share from the Company's top five customers, reflecting minimal concentration risk



Diversified
customer base across economic sectors and essential industries, including global airlines, distributors, parcel express companies, importers and exporters

~38%

Share of perishables and imports freight volume with fast growing Asian and global markets outside of China



- China
- Southeast Asia
- Other Asia-Pacific and Global



Disciplined progress on strategic business initiatives

FY21 achievements

Strategic milestones

- Planned and negotiated the acquisition of TAF e-Logistics and successfully completed the transaction in August 2021
- Launched Wiseway's first office in the United States and recruited three team members

Team growth

- Continued build-up of the on-ground team in China to 10 people across Shanghai and Guangzhou
- Significantly expanded the team size in the divisions of perishables and imports and distribution

Business initiatives

- Developed the "**WiseOps**" proprietary software that provides advanced tracking and tracing functionalities
- Completed the "**ePLink**" e-commerce parcel customs clearance system to streamline the import process from the Asia-Pacific region
- Implemented a workplace safety initiative to encourage all employees to receive the COVID-19 vaccine, with the majority of the Company's essential employees fully vaccinated



Acquisition of TAF e-Logistics (TAF)



Strategic acquisition of TAF e-Logistics

TAF *e-Logistics (Asia) Pte Ltd*



IATA-licensed Airfreight company

30

Years serving Southeast Asian and ASEAN logistics market



Customs-bonded warehouse strategically located within Singapore Airport's Airfreight Centre with access to expanded supplementary capacity



Provides customs brokerage and clearance, cross-border trucking, and international freight forwarding (air and sea)



Experienced team in sales, operations, finance, and warehouse management

Financial metrics¹

\$1.7m

Annual revenue
for FY20

\$1.1m

Net assets
As of 30 June 2020

Positive

Operating margin

Transaction overview

\$1.1m

Cash consideration²

+

400,000

Fully paid ordinary shares
in Wiseway

1) Based on the Company's unaudited statements for the respective periods

2) Based on an Exchange rate of SGD:AUD 1.00:1.00 as of 5 August 2021

Acquisition of TAF – strategic presence in the heart of Southeast Asia's logistics hub



Singapore – A strategic cargo hub in Southeast Asia

#1 Australia's inbound and outbound air freight trade destination¹

18% of Australia's total airfreight traffic activity¹

3m tonnes annual airport capacity, expected to **double** by 2030

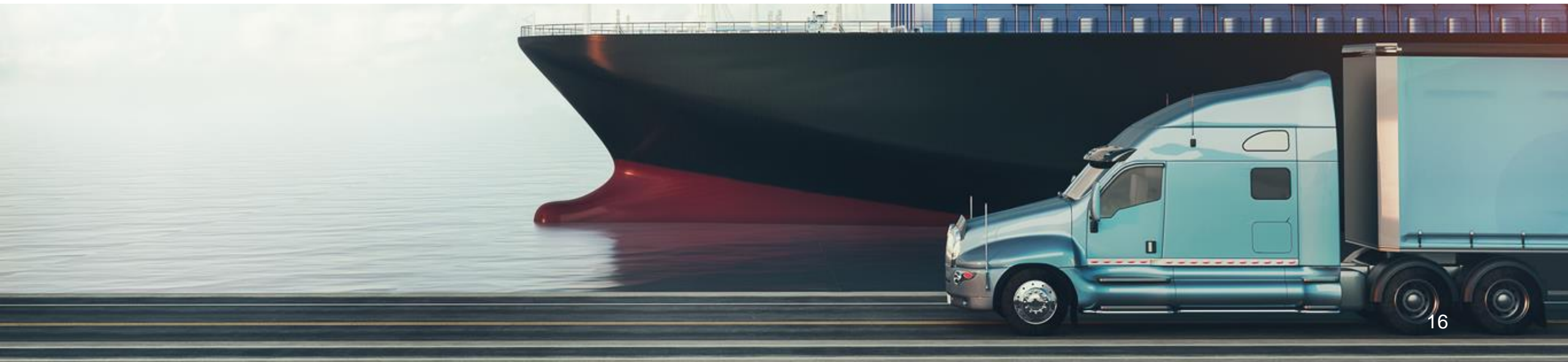
US \$62b²
Southeast Asia's e-commerce industry size, expected to **double** in by 2026

US \$55b³
Freight forwarding industry size in the region by 2025

- 1) Bureau of the Infrastructure, Transport, and Research Economics, 2020 Report
- 2) Statista Research, 2020
- 3) Insight Partners: Third Party Logistics Market to 2025 Report



Business Overview



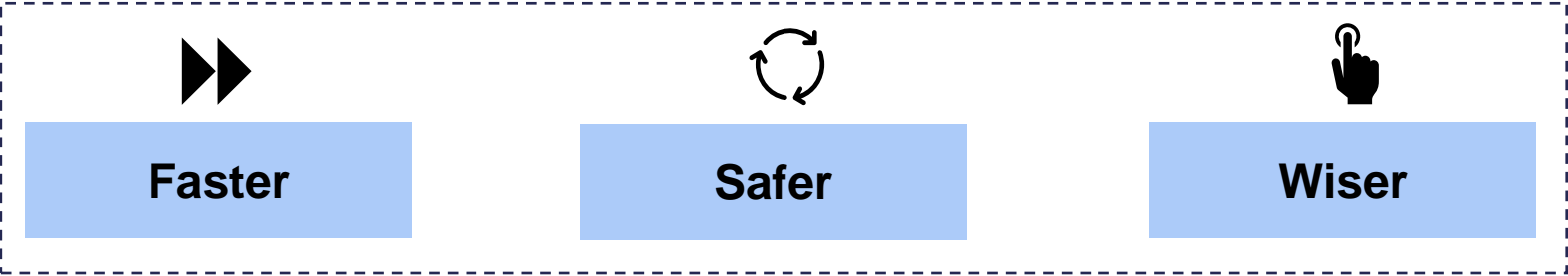
Robust growth journey with significant milestones





Vision and values

WISEWAY



Innovation

Deploy the latest industry innovations and internal proprietary technologies that optimise operations and enhance customer offerings and experience

Safety

Provide a safe working environment that safeguards the physical and mental well-being of employees



Integrity

Offer the highest levels of transparency in delivering logistics services stemming from a deep understanding of customer needs

Reliability

Ensure sustainable and resilient operations providing customers with peace of mind



Agile and globally scalable business model

Global network and footprint

- ✓ Established presence across six continents with in-country presence in New Zealand, China, Singapore and the US
- ✓ Serving large suppliers, distributors and parcel express companies requiring cross-border and multi-city services
- ✓ Opportunities for revenue and cost synergies across a global network of partners and shipping destinations

Leading market position

- ✓ Established market position with high barriers to entry
- ✓ #1 Australia-Asia air freight forwarder
- ✓ Top three air freight forwarders Australia-worldwide
- ✓ Industry-wide licenses, accreditations, and security clearances to operate at various ports of entry (IATA, RACA, AQIS, and customs)

Lean operating model

- ✓ Agile and flexible operating model based on a strategic portfolio of owned and leased assets
- ✓ Optimised utilisation of warehousing facilities, transportation fleet and other strategic resources, with a reliable access to outsourcing arrangements

Integrated service offering

- ✓ Diversified income streams providing downside protection when individual segments or sectors are impacted
- ✓ Continuously winning new customers seeking a one-stop shop for their integrated logistics requirements

Strategic partnerships in an industry built on relationships and connecting people



Long-standing customer relationships

- ✓ A diverse portfolio of customers supported by Wiseway from start-up stage to business maturity including distributors and parcel express companies
- ✓ Deep customer loyalty with high client retention rate



Global team capabilities

- ✓ Experienced leadership team, with continued involvement from the Company's founders and commitment to original vision of global growth
- ✓ A unique understanding of the cross-border e-commerce market and import-export regulation

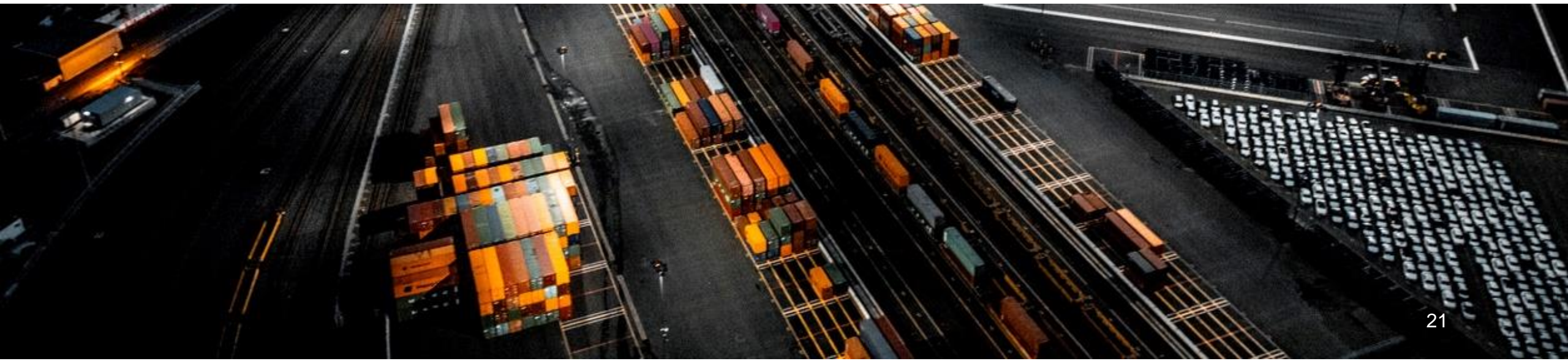


Strategic industry partnerships

- ✓ Long-standing GSA and CSA relationships with eight major international airlines across the Asia-Pacific and globally
- ✓ Well-established business relationships with local road transportation partners across the Company's global locations



Strategy and Outlook



A focused global growth strategy with disciplined execution



Diversify

- Continue to expand product offerings beyond the traditional dry cargo airfreight business, with focus on perishables and imports and distribution as key growth areas
- Use diversified product offerings to acquire and retain new customers seeking integrated logistics solutions



Integrate

- Provide logistics solutions through a lean, integrated and tech-enabled platform
- Bring together strategically located warehousing facilities, a modern transportation fleet, global team capabilities and established industry partnerships
- Investment in internal proprietary technologies and digital processes that optimise operations and enhance customers' experience



Expand

- Build on expansion momentum into Los Angeles and Singapore as a stepping stone into new markets in the US and Asia-Pacific
- Develop opportunities for revenue synergies and partnerships across the Group's growing global network
- Extend Wiseway's capabilities, resources and expertise to the Company's global operations



Expanding global addressable market led by the US and Asia-Pacific regions

US\$145b

Market size of US freight forwarding market¹

11%

Annual growth in global airfreight traffic activity over 2020-2025 period²

57%

Asia-Pacific's share of global e-commerce logistics growth over 2020-2025³



WISEWAY
US Branch

Wiseway's established US presence

- ✓ Launched in-country operations in June 2021 in Los Angeles, Australia's second largest airfreight destination
- ✓ On-ground team of three staff
- ✓ Future plans to strategically expand into other cargo hubs, including Chicago and New York



1) IBISWorld Freight Forwarding Brokerages & Agencies in the US - 2021
2) Transport Intelligence Regional Freight Forwarding Recovery Tracker 2021
3) McKinsey's "Asia: The Highway of value for global logistics", 2021 Article

Uniquely positioned to benefit from emerging industry trends



Expanding international trade industry with new free trade agreements, and logistics companies becoming increasingly globalised



Scale investment in global logistics infrastructure (e.g. the Belt and Road Initiative) to meet growing demand and facilitate the industry's operations



Growing impact of strategic partners like e-commerce platforms and e-tailing ecosystems with a large tech-savvy customer base



Increasing industry digitalisation with Internet-of-Things and cloud-based solutions, giving tech-enabled logistics operators a competitive advantage



Widening supply-demand gap in last-mile delivery, presenting expanded growth opportunities for road transportation and affiliated support services



Customers' growing preference for better connectivity, enhanced transparency and a more holistic digital experience



Evolving customer journey with people increasingly looking for end-to-end integrated logistics solutions

Clear focus on future business priorities

FY22 priorities

Strategic

- Integration of the TAF e-Logistics business into Wiseway Group's global operations
- Explore additional cities in the US (Chicago and New York) and globally as future locations for new Wiseway hubs

Team growth

- Expand the Singapore team in sales and business development to support on-ground operations
- Grow the US and China team to meet the increasing demand in North America and the Asia-Pacific

Business initiatives

- Roll out new proprietary technologies across the globally integrated operations
- Continue internal innovations to increase transparency
- Maintain a safe workplace environment and support the team's physical and mental well-being



Summary and outlook

Summary

- ▶ A significant FY21 result with a positive full-year net profit, an evident outcome of Wiseway's strategic investment in the business in the last two years
- ▶ Continued to seamlessly support customers in Australia and globally with essential import and export services in a year of challenging macroeconomic conditions
- ▶ Accelerated global expansion strategy, with new branches in Los Angeles and Singapore and acquisition of TAF

Outlook

- ▶ Strong commitment to providing ongoing support to customers and ensuring the safety and well-being of employees
- ▶ Positive momentum in the business with organic growth and a robust plan to expand global team capabilities into new regions and shipping hubs, especially across the US and Asia-Pacific
- ▶ Diversified business model, growing customer base, strategic industry partnerships, and expanding global footprint will provide significant synergy opportunities and position Wiseway well to benefit from the growing demand for integrated logistics solutions
- ▶ Appropriate resource planning capabilities and risk management practices to sustain the growth momentum in the business and address any supply chain disruptions that might arise



Questions





Appendix



Profit and Loss Statement

Profit and loss (\$m unless stated otherwise)	H1 21	H2 21	FY21	FY20	Change %
Revenue	69.7	56.3	126.0	102.0	23.5%
Direct expenses	(51.6)	(43.6)	(95.2)	(74.7)	27.4%
Gross profit	18.1	12.7	30.8	27.3	12.8%
<i>Gross profit margin</i>	<i>26%</i>	<i>22.6%</i>	<i>24.4%</i>	<i>26.7%</i>	<i>-2.3 ppts</i>
Other Income	-	0.8	0.8	0.6	30.5%
Operating expenses:					
Employment costs	(9.4)	(9.0)	(18.4)	17.4	5.6%
Occupancy costs	(0.5)	(0.5)	(1.0)	(1.1)	-8.9%
Administration and other expenses	(1.8)	(2.3)	(4.1)	(4.4)	-7.0%
Total operating expenses	(11.7)	(11.8)	(23.5)	(22.9)	2.6%
EBITDA	6.5	1.6	8.1	5.0	62.8%
<i>EBITDA margin</i>	<i>9.3%</i>	<i>2.8%</i>	<i>6.4%</i>	<i>4.9%</i>	<i>1.5 ppts</i>
Depreciation	(2.6)	(2.4)	(5.0)	(5.0)	2.4%
EBIT	3.9	(0.8)	3.1	-	100%
Finance costs	(0.7)	(0.7)	(1.4)	(1.6)	-10.5%
Income tax expense	0.3	(0.1)	0.2	(1.8)	112.1%
NPAT	3.4	(1.6)	1.8	(3.4)	+151.2%

ppts = percentage points

- A steady revenue performance in the second half of FY21 vs. the second half of FY20
- H2 21 result reflects lower economic activity during the Chinese New Year, the seasonality of perishables exports which were skewed towards the first half of FY21, and the ongoing impacts of COVID-19 on flight activity
- Slim reduction of 2.3 ppts in gross margin, a result of more competitive pricing to secure new customers and establish strong foothold in new global markets
- H2 21 profitability also impacted by additional investments in growing the Company's team in China and in the imports and distribution division, to support future growth
- Other income increased by 30.5% mainly from subletting income and miscellaneous income streams
- Employment costs increased by 5.6% due to expanding the teams in the perishables and imports and distribution divisions, and the on-ground team in China. This was partially offset with lower occupancy costs and administration expenses
- The Company did not receive JobKeeper payments from the Government in FY20 or FY21
- Total finance costs were down 10.5% as a result of the lower balances of the Company's outstanding debt

Balance sheet

Financial position (\$m unless stated otherwise)	30 Jun 2021	30 Jun 2020	Change %
Current assets:			
Cash and cash equivalents	9.9	8.6	15.4%
Trade and other receivables	6.7	8.3	-18.9%
Inventories	0.1	0.1	-
Current tax assets	-	0.9	-100%
Other assets	4.2	1.7	154.7%
Total current assets	21.0	19.6	7.5%
Non-current assets:			
Financial assets	0.4	0.4	100%
Property, plant and equipment	40.8	43.2	-5.4%
Deferred tax assets	1.3	-	100%
Total non-current assets	42.6	43.6	-2.5%
Total assets	63.6	63.2	0.6%
Liabilities:			
Trade and other payables	7.3	6.5	11.8%
Loans and borrowings	9.3	10.2	-8.5%
Employee benefits	1.3	1.0	26%
Provisions	0.1	-	452.2%
Current tax liabilities	0.7	0.0	100%
Total current liabilities	18.7	17.7	5.2%
Non-current liabilities:			
Loans and borrowings	19.2	21.5	-10.8%
Employee benefits	0.2	0.2	40.7%
Total non-current liabilities	19.4	21.7	-10.5%
Total Liabilities	38.1	39.4	-3.4%
Total Equity	25.5	23.7	7.3%
Total Liabilities and Equity	63.6	63.1	0.6%

Statement of Cash flow

(\$m unless stated otherwise)	FY21	FY20	Change %
Cash Receipts from Customers	128.0	103.4	23.8%
Cash paid to suppliers and employees	(120.0)	(97.4)	23.2%
Net Interest Paid	(1.4)	(1.6)	33.3%
Income Taxes received (paid)	(0.5)	(0.6)	-10.0%
Net cash from operating activities	7.0	3.8	83.2%
Acquisition of property, plant and equipment	(0.6)	(3.4)	-81.7%
Proceeds from sale/ disposal of assets	0.1	0.4	-85.0%
Net cash from investing activities	(0.6)	(3.0)	-81.2%
Proceeds from issue of share capital	-	4.5	-100%
Proceeds from loans and borrowings	4.7	5.6	-16.6%
Repayment of loans and borrowings	(5.0)	(4.5)	11.5%
Payment of finance lease liabilities	(2.3)	(0.9)	149.7%
Payment of lease liabilities	(2.5)	(1.6)	51.4%
Net cash used for financing activities	(5.1)	3.1	-263.0%
Net increase/(decrease) in cash	1.4	3.9	-65.6%
Cash at the beginning of the period	8.6	4.6	86.0%
Effects of movement in exchange rates	(0.03)	0.03	-187.5%
Cash at the end of the period	9.9	8.6	15.4%

Note: In the table, cash refers to cash and cash equivalents.

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