



Wiseway Group Limited (ASX:WWG)

2022 Annual General Meeting

22 November 2022, 10:00 am (AEDT)



Agenda

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Chair Address
Florence Tong

An experienced Board and Management team to drive future growth



Florence Tong
Executive Chair
& Managing Director



Roger Tong
Chief Executive Officer



Simon Yuen
Chief Financial Officer



Ken Tong
Non-Executive Director



Brandon Teo
Independent
Non-Executive Director



Astrid Raetze
Independent
Non-Executive Director

2022 – Key milestones and growth initiatives



- ✓ Record revenue of \$130.1 million, 3.3% growth vs pcp



- ✓ 43% growth in revenue from non-traditional business segments



- ✓ \$4.2 million in revenue from new international locations, in less than 12 months of full operations



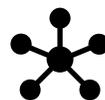
- ✓ Acquisition of SEAIR, expanding presence in Southeast Asia with strategic access to its Air Operator Certificate (AOC)



- ✓ Signing of aircraft leasing agreement in preparation for the SEAIR investment operations



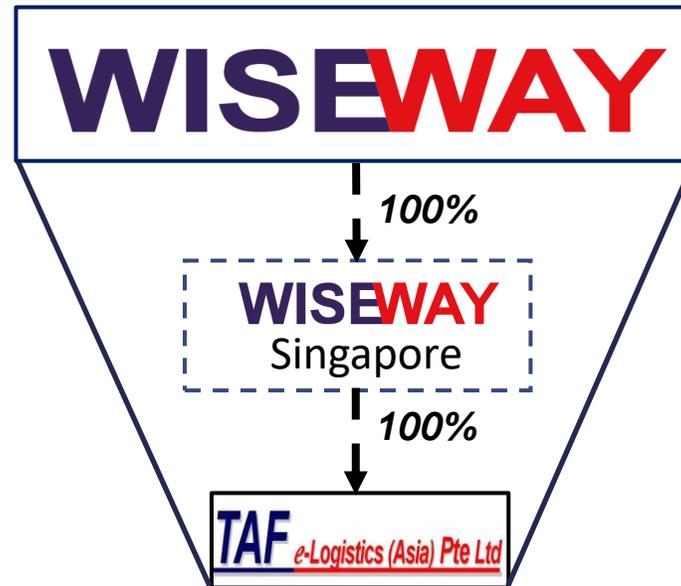
- ✓ Opening of Chicago branch, alongside Los Angeles



- ✓ Successful and smooth integration of TAF

Smooth and successful integration of TAF E-Logistics

Transaction completed in FY22



Successful integration outcomes



2 months

Between the completion of the acquisition and the conclusion of the integration process; smooth transition and full alignment between the two teams



\$2.3 million

Revenue from Singapore based on 10 months of operations



5

Team members across sales, operations, and finance, fully integrated within the Group's global processes and operating platform



Strategic

Network of clients and partnerships in Southeast Asia, supported by Brandon Teo's regional expertise and valuable contribution to Wiseway Board

A diverse team of best-in-class experts, leading our high-growth segments



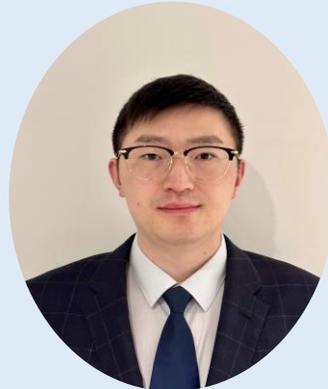
Scott Higgins – National Perishables Manager

- 36 years of logistics industry experience, mainly in perishables products
- Leading a team of senior qualified perishables experts, with extensive experience in the requirements to import/export these products across borders
- Driving the continuous operational optimisation of this critical high-potential offering on a domestic and global level



Ian Ebbink – Head of Imports

- 20+ years experience in freight forwarding, logistics and import/export operations
- Leading the growth initiatives within Wiseway's import and distribution division
- Growing the division's team and providing training and relevant skills to meet the growing demands of the e-commerce industry



Song Yi – National Sea Freight Manager

- Built extensive relationships with shipping lines in the sea freight industry
- Experience with a wide range of dry products and perishable commodities
- Optimising division performance and managing a hybrid and agile cross-border team.



Simon Zhang – National Transport Manager

- Leading the vital function of local and international road transportation within Wiseway's integrated supply chain
- Managing a Wiseway fleet of over 100 trucks to meet Australia's demand for interstate transportation from all states
- Ensuring a lean resilient model, connecting every stage of logistics process, with uninterrupted operations during crises

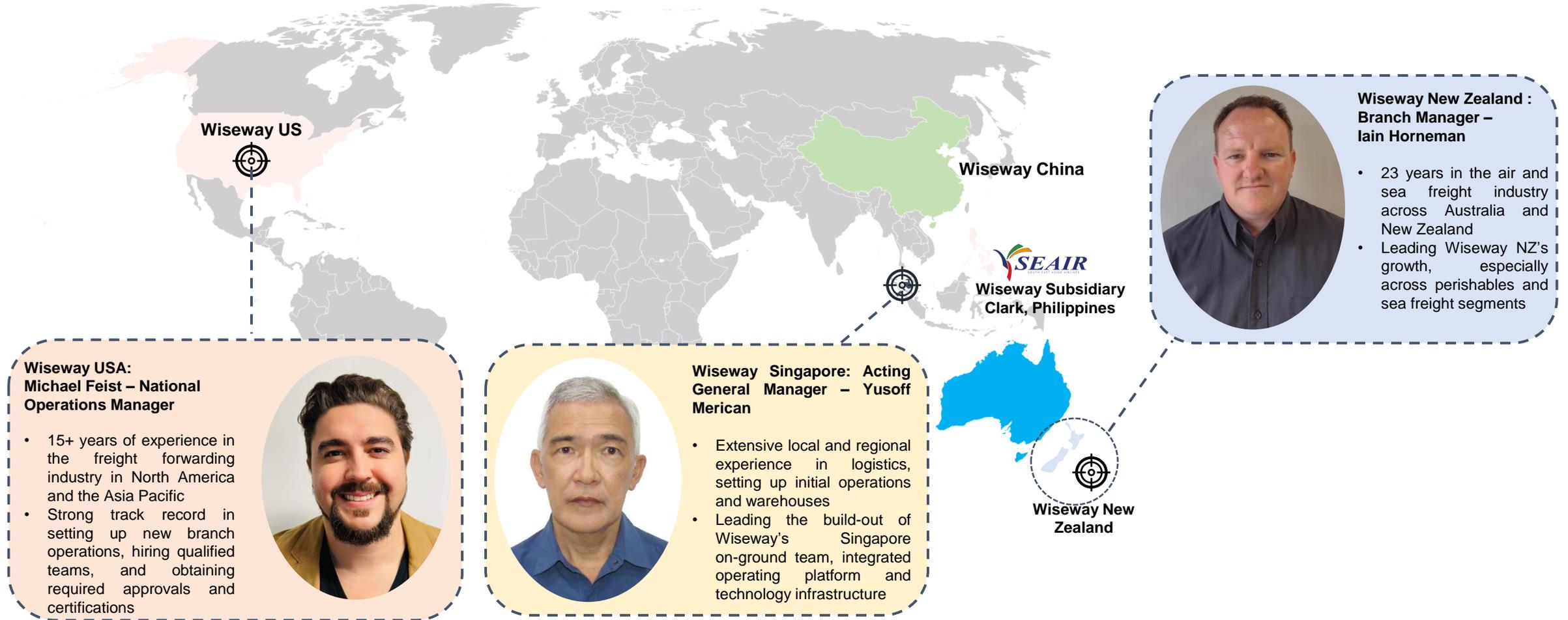


Paul Halpin – Head of Wiseway Cargo Airlines – Flight Operations

- Leading the project team to set up Wiseway Cargo Airlines and bringing the first aircraft, a Boeing B737-800SF, into service.
- Extensive history in airline management and flight crew training. He holds Australian, New Zealand, UK and UAE Air Transport Pilot Licences.



World-class rounded team leading our international operations and powering our global growth



Essential functions safeguarding Wiseway's culture, and values of innovation, safety, integrity and reliability



Ivan Lim – CTO

- 25 years of diverse experience in the IT and Fintech sectors, including software development, testing and implementation.
- Significant digital transformation exposure in the logistics industry and leading Wiseway's digital integration initiatives on that front.
- Successfully rolled out internal proprietary initiatives that improved productivity and enhanced customer experience.



Mark Stevens – National Compliance & Safety Manager

- Safety and compliance expert within the logistics regulatory landscape, ensuring Wiseway's 100% compliance with the industry's continuous requirements.
- Prioritising safety, ensuring wellbeing of staff and minimal disruption to business operations.
- Maintaining Group's safety record, managing risk exposure, and minimising losses.
- Coaching and training the Wiseway team on best-practice compliance requirements and procedures.

Innovation

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

Safety

Provide a safe working environment that safeguards the physical and mental wellbeing of employees

Integrity

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

Reliability

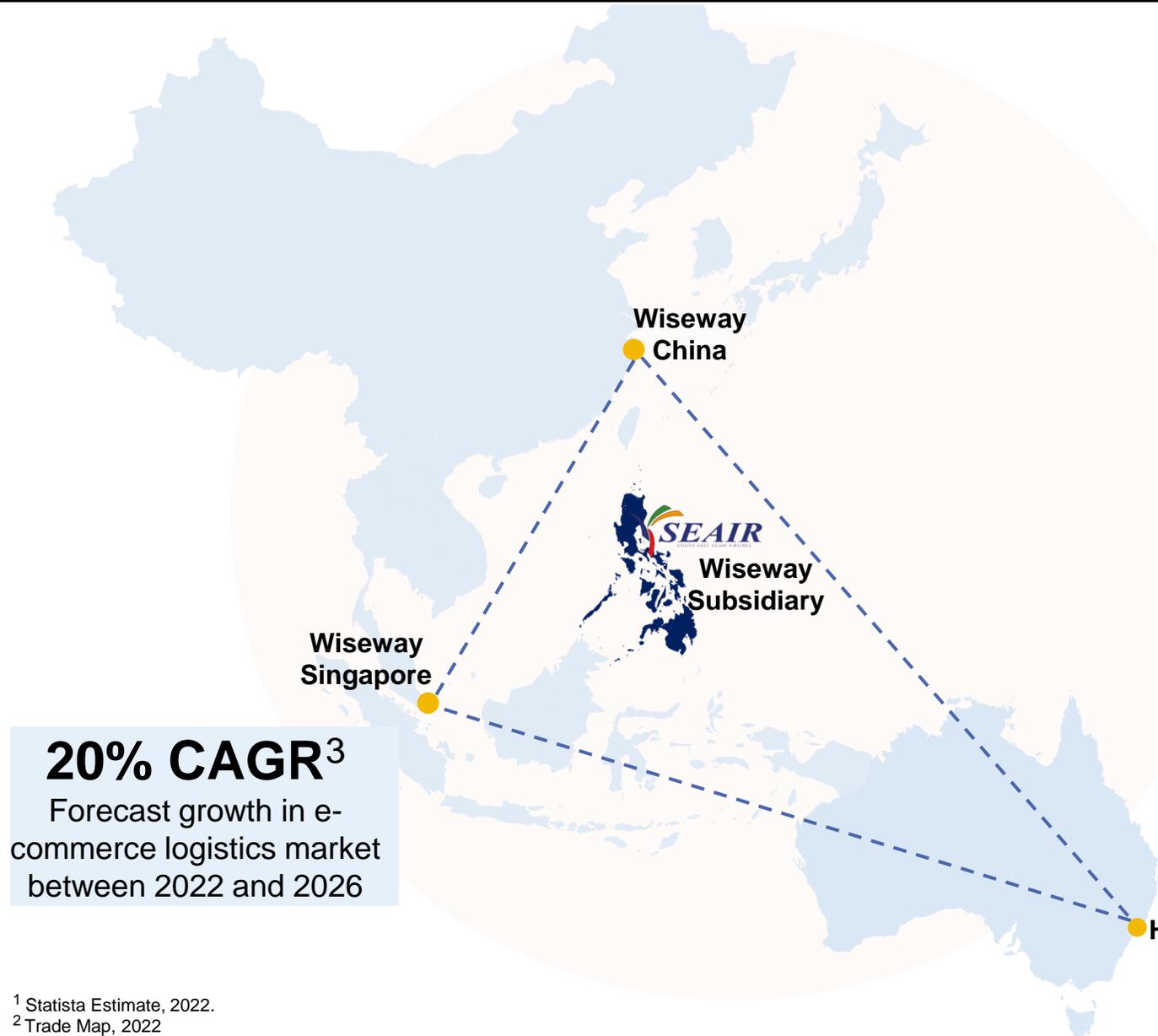
Ensure sustainable and resilient operations providing customers with peace of mind





Strategic investment in SEAIR

The ideal gateway bridging our presence between Southeast Asia and East Asia, and expanding our APAC coverage



267 million tonnes

Philippines logistics freight volume in 2021, 13% y-o-y growth¹

16% CAGR

forecast e-commerce market growth by 2027 reaching US\$38 billion and 53% user penetration rate¹

8

of the Philippines' top 10 trade partners are based in the APAC region²

20% CAGR³
Forecast growth in e-commerce logistics market between 2022 and 2026

¹ Statista Estimate, 2022.

² Trade Map, 2022

³ Technavio, 2022 Estimate.

A compelling investment in a well-established logistics player with strategic resources and strong connections to growth avenues

SEAIR Co-Founders



Irène Prosper Heinrich Dornier

- Airline transport pilot, aviation consultant and US flight instructor.
- Track record in business development of aircraft engineering businesses and complementary infrastructure to all fields of airline operations.



Nick Gitsis

- Commercial rated pilot, accredited by Air Transportation Office (the Philippines) and Federal Aviation Administration (US).
- Successful businessman and investor in the aviation and hospitality sectors.



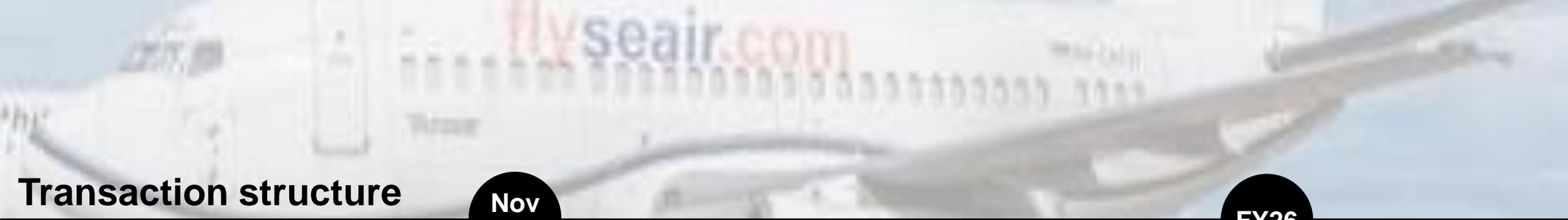
Clark International Airport

- Key logistics hub in Philippines and region with annual capacity of 8 million passengers
- Based in the Clark Civil Aviation Complex, a freeport Zone offering a business-friendly environment with strong tax incentives
- Regional base for some of the world's largest cargo airlines and logistics service providers



- ✓ Founded in 2011 by business partners Irène Prosper Heinrich Dornier and Nick Gitsis, who both have long and established aviation careers in the Philippines
- ✓ Operates two B737-200 freighter aircraft out of the Clark Civil Aviation Complex
- ✓ Operates regular flights between Clark and Cebu
- ✓ Offers charter services for high-value, time-critical cargo, and other freight to major airports in the Philippines





Transaction structure

Nov 2022

FY26

Ownership structure



Purchase consideration

US\$ 3.1 million

US\$ 1.6 million.

Capitalised advance payments, transaction fees, and expenses already incurred in relation to aircraft, such as deposit payments with aircraft manufacturers, acquired software, and other intangible assets.

US\$ 1.5 million.

Additional cash to be injected by Wiseway into the business as working capital to be used solely to finance the establishment of Wiseway's planned aircraft freight operations.

Long term options

1

Call option for Co-Founders to exchange their remaining stake for Wiseway Group shares at a pre-specified exercise price of US\$0.50/share.

2

Put option for founders to sell their 49% remaining stake to Wiseway for US\$ 3.5 million.

Leasing a new strategic and valuable asset, in connection with the SEAIR investment



Boeing 737-800SF Lease

15 December 2022

Estimated handover date

96 months

Contract period

<\$300k

Monthly Leasing Fee

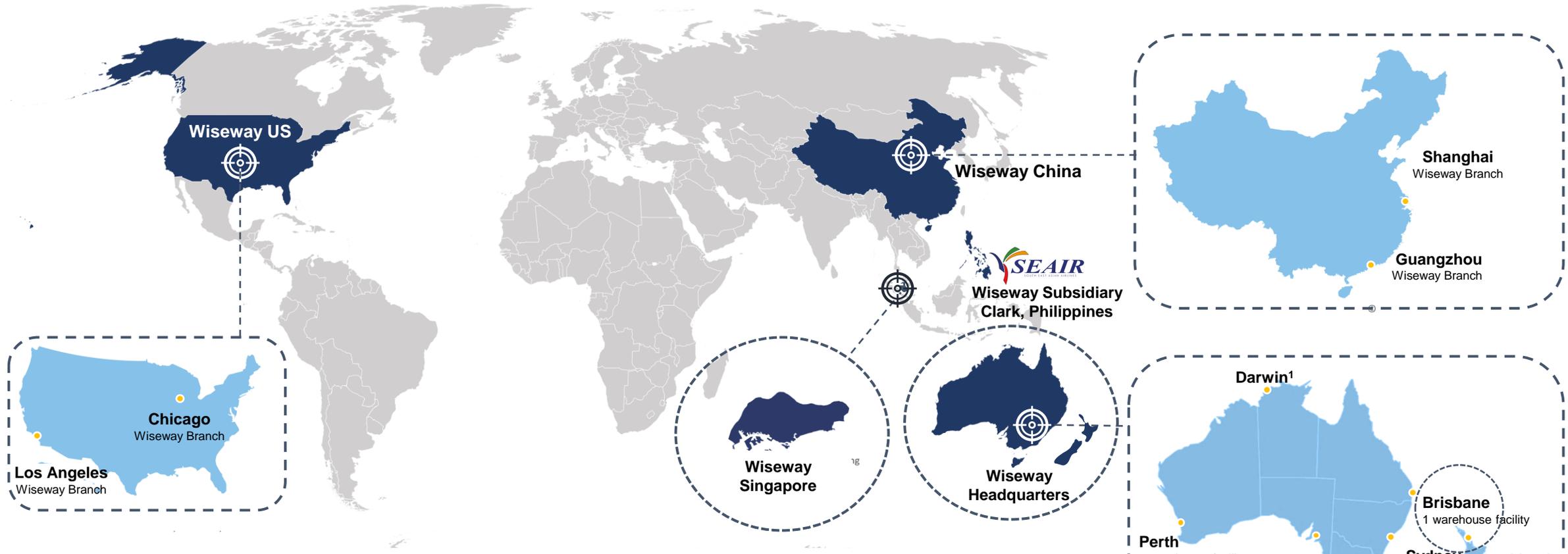
23 tonnes

Payload Capacity

Strategic long term value

- ✓ Self sufficiency during periods of surging demand and disruptions, as suppliers face capacity pressures
- ✓ Ability to serve a broader group of customers, with larger and more complex logistics needs
- ✓ Enhanced cost control and well-managed competitive prices with customers
- ✓ Opportunity to improve margins in less elastic markets.
- ✓ Potential for supplementary income from subcontracting/charter to third parties during less busy periods

Step-change in global scale and reach – expansion in the US and APAC markets



Wisway's global footprint:

- ✓ Diversified business shipping to 100+ destinations.
- ✓ Wisway US – expanded presence through Los Angeles and Chicago branches
- ✓ Wisway Singapore and SEAIR serving Southeast Asian market and larger APAC region.
- ✓ Two branches in China (Shanghai and Guangzhou) with superior team capabilities.

1. Darwin branch is managed by an exclusive local agent

The way forward

- ▶ Wiseway today is a global business with 160+ employees spread across five countries and 11 logistics hubs
- ▶ Agility and resilience supporting the business means Wiseway can weather recent disruptions and challenging economic environments
- ▶ Constant dedication to delivering innovative and reliable logistics solutions addressing growing and evolving customer needs.
- ▶ Enhanced diversification of our diversified business model outside of the traditional core business of dry outbound air freight
- ▶ Synergy opportunities and cost optimisation initiatives will drive sustainable long-term positive performance
- ▶ A very recent milestone is the acquisition of Philippines-based SEAIR, expanding Wiseway's presence in Southeast Asia and offering additional utilisation of its aircraft fleet through SEAIR's AOC
- ▶ An additional achievement is an eight-year leasing agreement for the exclusive use of a class-leading Boeing 737-800 Super Freighter, which will deliver greater efficiencies across our expanded network
- ▶ Prudent debt levels and a healthy balance sheet from which to support future growth initiatives

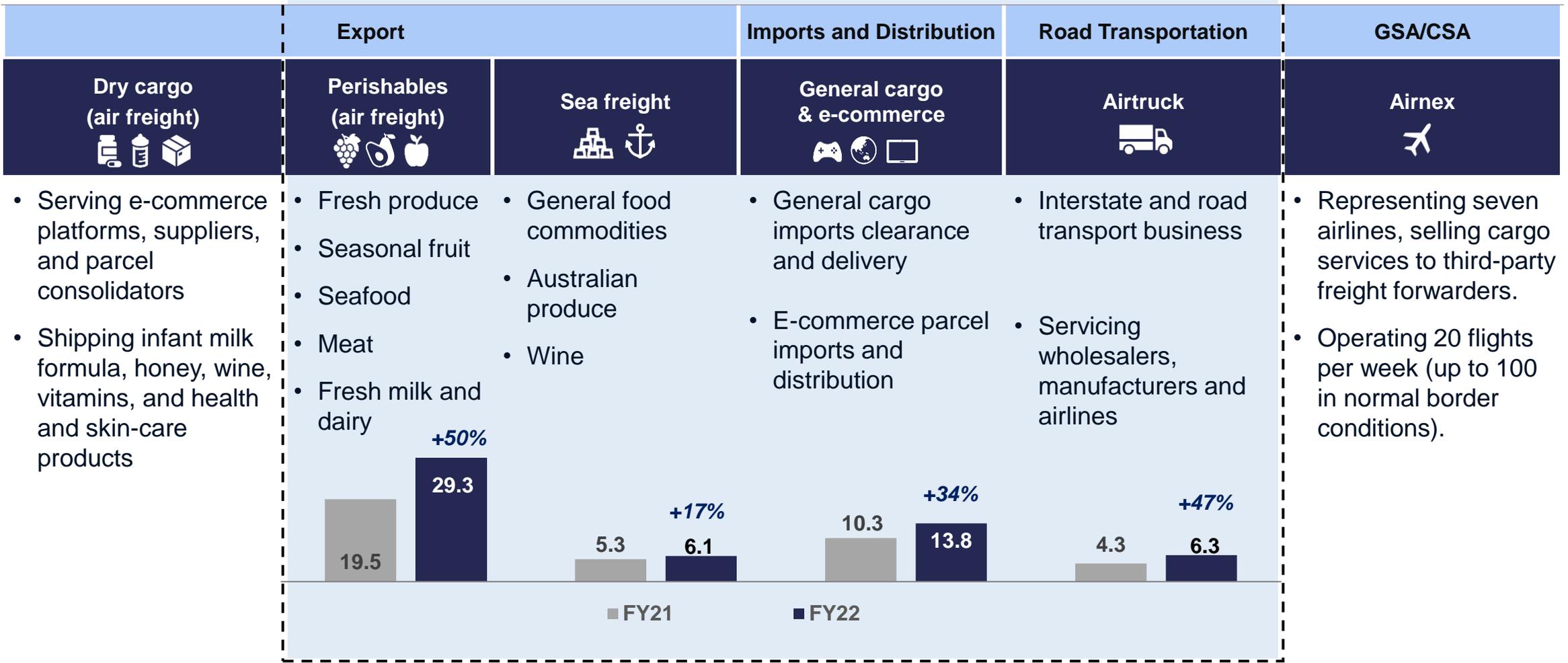




**Chief Executive Officer's
Address
Roger Tong**

Integrated freight and logistics operator with diversified income streams

Revenue growth driven by non-traditional business segments



Diversification progress – driving our growth momentum

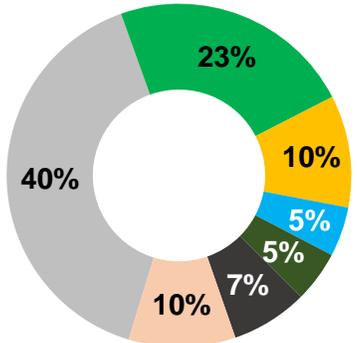
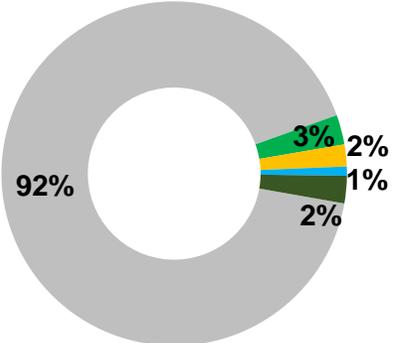


Revenue breakdown by segment

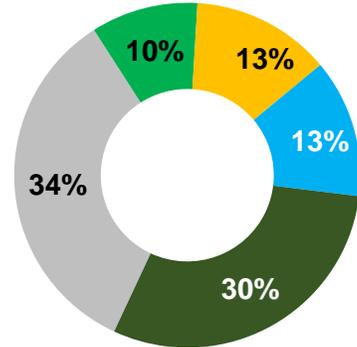
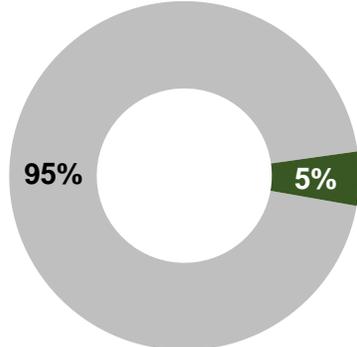
Cargo volume breakdown by destination

FY19

FY22



- Dry Air Freight
- Sea freight
- Overseas Revenue
- Perishables
- Road Transportation
- Import and Distribution
- Airnex



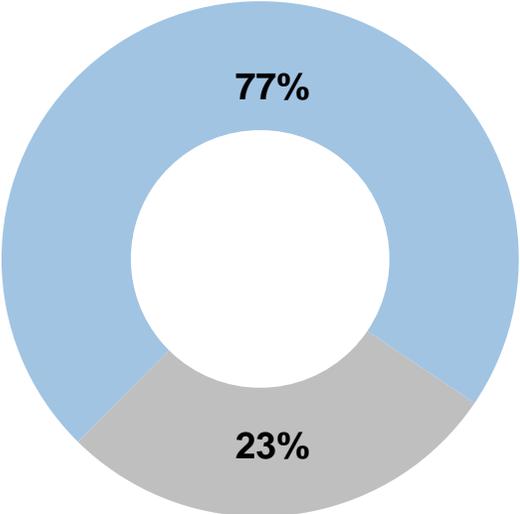
- China
- Southeast Asia
- Other Asia
- North America
- Other Int'l Dest.

A diversified business across customers and geographies



23%

FY22 revenue share from the Company's top five customers, reflecting minimal concentration risk

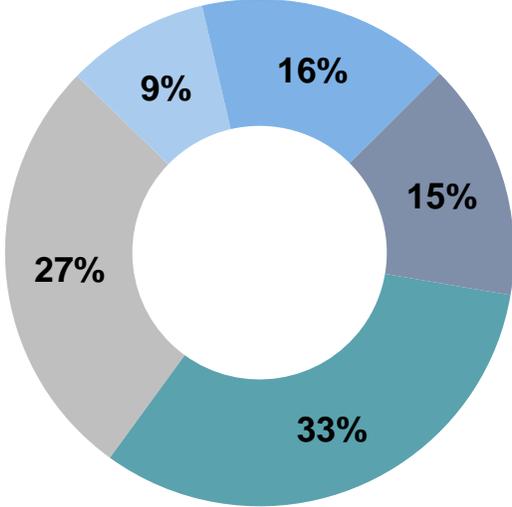


Diversified

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

73%

FY22 share of perishable, import, and sea freight volume (from Australia) with fast growing Asian and global markets outside of China



- China
- Other Asia
- Other Global
- Southeast Asia
- North America



Tangible initiatives to improve recent financial performance

FY22 financial performance

- Extended COVID-19 measures in China, and prolonged lockdowns
- Extraordinary rainfall and floods in both New South Wales and Queensland
- Further restraints on available air freight capacity
- Competitive margins offered in new markets to secure strategic customers and relationships
- Additional investments in growing the Company's team in the USA, China and Singapore
- Conservative estimate for doubtful debt provisions

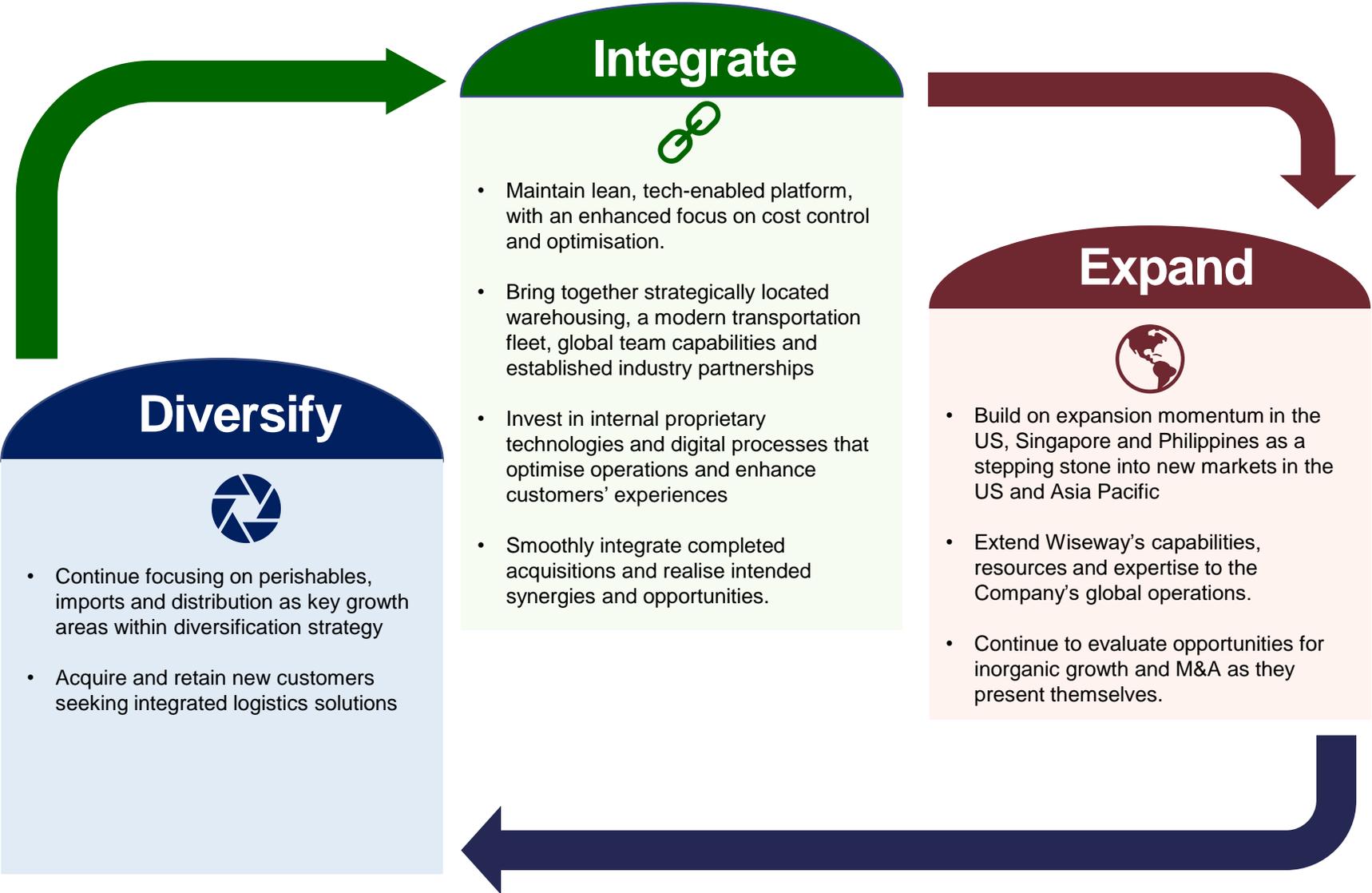
**\$0.2
million**
EBITDA Loss

\$7 million
Net Loss
After Tax

Cost optimisation initiatives

- Enhancing internal mechanisms for monitoring financial performance on a division level, with the long-term objective of achieving standalone profitability within each division
- Increasing margins in new markets with customers and markets with low elasticity
- Right sizing the number of drivers and trucks and maximising the utilisation of available resources
- Relying more tactically on short-term workforce/contractor arrangements to address surging demand during peak periods
- Consolidating contracted services and maximising benefits from strategic suppliers and service providers
- Strategic utilisation of available credit facilities, at favorable borrowing rates, to fund future growth initiatives

A focused global growth strategy with disciplined execution



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



US\$1.6 trillion

Market size of US logistics market by 2027¹

4.1%

Annual growth in global freight forwarding market over 2021-2031 period²

57%

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



WISEWAY
US branches



Wiseway's established US presence

- ✓ Two branches in Los Angeles and Chicago with 6 full-time team members on ground
- ✓ Secured Indirect Air Carrier (IAC) certificate awarded by the US Department of Homeland Security

¹Imarc's North America Logistics Report -2022-2027.
²Allied Market Research's Freight forwarding Market: Global Opportunity Analysis and Industry Forecast 2021-2031;
³McKinsey's "Asia: The Highway of value for global logistics", 2021

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 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, cloud-based solutions, and warehouse automation 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 higher demand for multi-channel services and end-to-end integrated logistics solutions



Continuous supply chain disruptions and fuel price surges, giving an edge to flexible business models built on “*elastic logistics*” and quick response to crisis events



Summary and outlook

Summary

- ▶ Significant milestones achieved during 2022, with integration of TAF E-Logistics in Singapore, expanding US presence into Chicago, and strategic investment in Philippines-based SEAIR
- ▶ Access to AOC allows Wiseway to better utilise its recently leased aircraft and future air assets added to its fleet
- ▶ Continued diversification and focus on high-growth segments of perishables, imports, and road transportation
- ▶ Prudent working capital practices and strong balance sheet, allowing the Group to pursue strategic growth initiatives

Outlook

- ▶ Enhanced focus on cost-optimisation and realising integration efficiencies, to revert to sustainable long-term profitability
- ▶ Full commitment to realise the opportunities from expansion of our global network, through recent branch additions and cross-border acquisitions
- ▶ Maintain our lean and resilient business model, providing flexibility to weather global supply chain disruptions and uncertainties
- ▶ Strong commitment to providing ongoing support to customers and ensuring the safety and wellbeing of employees.



Thank you

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