

## **Attachment to Appendix 4C**

### **Summary of period 1 July 2017 to 30 September 2017**

Wingara Ag Ltd (ASX:WNR) is pleased to present the Company's Appendix 4C for the 1 July 2017 to 30 September 2017 quarter.

#### **Quarter ended 30 September 2017 Review**

- We exported 18,000T of products in the six months to 30 September 2017. This is a 50% increase in volume when compared to similar period last year
- Export volume of 35,000T by 31 March 2018 Financial Year is achievable
- Completed the purchase of current production site at Epsom with settlement upon expiry of the current lease agreement in 2021
- Continue to invest in the development of Raywood and Horsham sites and targeting to complete 10,000T storage at Raywood before 31<sup>st</sup> March 2018.
- Completing various capital and operation improvement programs at Epsom site with the production target of 70,000T by 30 March 2019 to meet customers' demand

#### **Tuesday 31<sup>st</sup> October 2017**

WNR continued its growth momentum in September quarter and delivered over 18,000T of export products in the six months ending 30<sup>th</sup> September 2017. WNR is on track to achieve export volume of 35,000T by 31<sup>st</sup> March 2018 and the growing demand came from all key export markets. At the moment, WNR is meeting only a fraction of the customers' demand.

Operating cash flows for the quarter ending 30 September 2017 included the following:

- un-budgeted storage costs paid as part of the hay purchases relative to the June Quarter to meet strong customer demand;
- continued investment in sites development and operational improvement; and
- adverse impact of AUD/USD movement when the exchange rate moved from 0.73 to 0.80

Capital expenditure in September 2017 quarter reflects deposit paid for acquisition of Epsom/Raywood sites and investment in production facilities at Epsom. Financing for Raywood site has been secured and WNR has a healthy cash position. WNR is planning to achieve export target of 70,000T by 31<sup>st</sup> March 2019 with key customers' commitment already in place.

WNR is actively evaluating and pursuing opportunities that can demonstrate a potential growth profile in export of agricultural/food products. WNR's long-term strategy based on multi-sites and multi-products will support the business growth going forward.

**Issue of options to senior management**

The Board has resolved to issue a total of 2,000,000 options over ordinary shares (expiring in 36 months from grant date, exercisable at \$0.395 per option) to Marcello Diamante and Kellie Barker under the Employee Share Option Plan 2016 for the successful negotiation and acquisition of the Raywood, Horsham and Epsom properties, which will be pivotal for the future growth of Wingara Ag Ltd. The Epsom property has also met growth targets which we expect will result in production of 35,000T of export volume by 31 March 2018.

The resolutions from the 2016 AGM also provided for the issue of shares to Directors, but it was resolved that despite the strong platform that has been put in place during the past year for the future growth of the Company, that the share price performance did not justify the issue of any incentives for the Board at this stage. Performance based rewards for the Board and CEO, as well as key Management, will be reviewed on an on-going basis.

The Appendix 4C follows.

**About Wingara Ag Limited:**

Wingara Ag Limited aims to be the leader in the sale of agricultural products to the domestic and international markets, particularly focusing on the export of hay products to Asia. By adhering to the highest standards of production we ensure a reliable source of hay to our clients, enabling them to meet their business demands confident in the quality of our product.

We are also dedicated to supporting local producers and our commitment to providing an equitable relationship with Australian farmers allows us to source the best product available. Wingara is committed to ensuring we uphold the highest standards of integrity throughout the organisation, ensuring that we create an environment in which individuals continue to strive to meet our goals.

**Forward-Looking Statements:**

Certain statements made in this release are forward-looking statements and are based on Wingara Ag's current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements. Although Wingara Ag believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Wingara Ag's control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Wingara Ag will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Wingara AG Limited

**ACN**

009 087 469

**Quarter ended ("current quarter")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,220	6,374
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(801)	(1,638)
hay Purchases	(1,913)	(3,150)
(c) advertising and marketing	(42)	(78)
(d) leased assets	(12)	(23)
(e) staff costs	(486)	(975)
(f) administration and corporate costs	(152)	(325)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	43
1.5 Interest and other costs of finance paid	(118)	(159)
1.6 Income taxes paid	-	(57)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- GST refund	(0)	361
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(280)</b>	<b>373</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(379)	(564)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other assets	(678)	(678)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,057)</b>	<b>(1,241)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,574	2,969
3.6	Repayment of borrowings	(892)	(3,774)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>682</b>	<b>(805)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,607	6,625
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(280)	373
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,057)	(1,241)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	682	(805)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>4,951</b>	<b>4,951</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,951	2,107
5.2	Call deposits	-	3,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,951</b>	<b>5,607</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	61
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding reimbursement for administrative expenses and travel expenses.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	7,514	3,153
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Item 8.1 includes the following facilities with the ANZ Banking Group:

Facility	Credit limit (A\$'000)	Interest rate (%p.a.)
ANZ Tailored Commercial Facility	1,015	BBR + 1.3
Overdraft Facility	600	BBR + 1.8
Asset Finance Facility	1,330	-
Asset Finance Facility (additional)	1,870	
Stand by Letter of Credit or Guarantee Facility	80	-
Inventory Loan Facility - Daily rate	2,500	BBR + 1.3
Asset Loan Facility - Daily rate	69	BBSY + 1.1
Commercial Card Facility	50	-
	<b>7,514</b>	

All of the above facilities are secured.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(2,383)
9.3 Advertising and marketing	(39)
9.4 Leased assets	(12)
9.5 Staff costs	(549)
9.6 Administration and corporate costs	(162)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(3,144)</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Company secretary

Date: 31 October 2017

Print name: Phillip Hains

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.