

ASX Announcement

30 September 2020

Wingara successfully delivering on its growth strategy**Key Highlights**

- **Fodder inventory build-up in anticipation of forward sales, with additional 7,200 MT delivered in September 2020**
- **Production at JC Tanloden for the 6 months to 30 September 2020 of c25,000 – c26,000 MT, up over 30% on pcg**
- **Planning application initiated for the hay shed to be constructed at JC Tanloden Raywood**
- **Austco Polar demand remains consistent, but logistics hampered in the near term due to industrial action in Sydney port**
- **Strong balance sheet and liquidity position post-August capital raising supporting growth initiatives that are being successfully delivered on**

Wingara AG Limited (ASX: WNR, “Wingara” or “the Company”), owner and operator of value-add, mid-stream assets specialising in the processing, storage and marketing of agricultural produce for export markets, is pleased to provide the following update as the Company successfully progresses its growth strategy.

Lead indicators pointing to strong growth in JC Tanloden

Since completing the Company’s successful \$5 million capital raising on 14 August 2020, Wingara has purchased an additional 7,200 MT of hay. This hay has been delivered to the Company’s sheds, with approx. 22,000 MT now in inventory.

The capital required for this additional inventory has been partially sourced from the \$3.7 million of funds raised recently by the Company. Further capital will be utilised for the purchase of additional hay inventory to deliver up to 6,000 tonnes per month output in 2021. Wingara needs to ensure it has 3-4 months of inventory against forward sales to meet client demand.

Inventory levels are a strong forward indicator of production levels, and with the current level of inventory Wingara expects to deliver a production level for the 6 months to 30 September of circa 25,000 – 26,000 MT, up over 30% compared to the same period last year.

New hay season is positive with increased levels of production

The new hay season is positive, with Australian Bureau of Statistics (ABS) numbers indicating increased levels of production. Wingara is expecting to receive its first bales in mid-October, and the Company’s strong capital position will support further increased purchasing of hay inventory to deliver on the planned growth in production by JC Tanloden in 2021 and beyond.

Planning for JC Tanloden’s new hay shed has commenced

Some of the funds raised in August (approx. \$1 million to \$1.2 million) are being be used to build new

infrastructure to add 10,000 MT of additional storage capacity. This additional capacity is needed to support the increased production levels from JC Tanloden expected in 2021 and beyond.

Shed construction planning has commenced, and the Company will look to finish civil works on the pad prior to the end of this year, while awaiting other approvals to construct the shed. If all proceeds as planned, the Company expects the new shed to be complete by the end of April 2021.

Austco Polar demand remains consistent, but logistics hampered in the near-term

Austco Polar demand is steady and remains consistent, but near-term performance has been impacted by industrial action at Sydney Port. While Austco Polar was previously impacted by port disruptions due to COVID-19, logistics has remained a near-term challenge as shipments have been delayed due to the current industrial action.

Commenting on Wingara's operational progress, Managing Director & CEO Gavin Xing said:

"As we had expected, we are now experiencing a strong hay harvest season. We have substantial output capacity at JC Tanloden that is now being capitalised to drive revenue and earnings growth based on strong offshore demand for our product. Wingara's conservative balance sheet, further enhanced by August's capital raising, underpins the investments we're making in increased inventories and additional infrastructure to allow us to deliver on the opportunities we see for JC Tanloden in 2021 and beyond.

"Austco Polar's asset base is ready to be utilised for our global protein trading platform once ports return to normal operation given the latent demand for red meat protein that exists in the markets we operate in.

"Wingara has a unique set of assets with strong and diverse customer relationships. We are carefully growing our business to ensure we properly capitalise on these assets to drive sustainable value for all our stakeholders, including staff, local communities, customers and our shareholders."

Gavin Xing will be presenting on Market Eye's **"Meet the CEO"** event series at **11am AEDT on Thursday 8 October 2020**. He will discuss the Company's growth strategy and progress achieved. Please register for this event at: https://us02web.zoom.us/webinar/register/WN_YVK6ap8cT7GLiDaODW_i2w.

Wingara plans to release its Appendix 4C and Quarterly Activities Report for the September 2020 quarter on 28 October 2020, and its results for the six months ended 30 September 2020 on 25 November 2020.

This announcement has been authorised for release by the Board of Directors of Wingara AG Limited.

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For further information please contact:

Ronn Bechler
Market Eye
P: +61 (0) 400 009 774
E: ronn.bechler@marketeye.com.au

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.

For further information, please visit: <https://wingaraag.com.au/>