

**ASX Announcement**

8 October 2020

**Wingara “Meet the CEO” presentation**

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, wishes to provide the presentation for today’s Market Eye “Meet the CEO” event.

Gavin Xing will be presenting on Market Eye’s “Meet the CEO” event series at 11am AEDT today, Thursday 8 October 2020. He will discuss the Company’s growth strategy and progress achieved.

To attend the presentation and Q&A session, please register at:

[https://us02web.zoom.us/webinar/register/WN\\_YVK6ap8cT7GLiDaODW\\_i2w](https://us02web.zoom.us/webinar/register/WN_YVK6ap8cT7GLiDaODW_i2w).

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

- ENDS -

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**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.

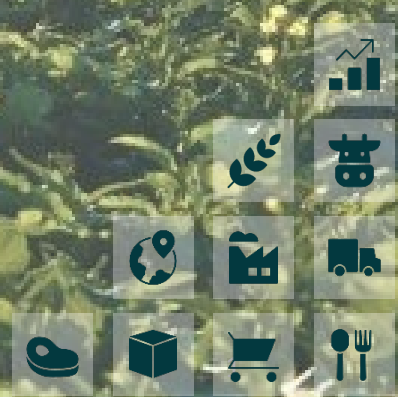
For further information, please visit: <https://wingaraag.com.au/>



# Market Eye's "Meet the CEO" event

Gavin Xing – Managing Director & CEO

8 October 2020



# A diversified agricultural products platform



- WNR has built a sustainable supply chain platform for processing and marketing agricultural products, based on multi-product and multi-region approach. More products can be added at the appropriate time.
- WNR strive to connect primary producers to the export markets, and provides customers with in-demand, quality-assured Australian products.



## Revenue

FY20: \$21.7m  
FY19: \$16.8m

- **Business Model:** Fodder export, tolling revenue with cost + approach
- **Assets:** 110,000 MT throughput capacity from 15,000 MT 3 years ago
- **Markets:** China, Taiwan, Japan and Korea with growth focused in China which imported over 200KT in 2019/2020 season



## Revenue

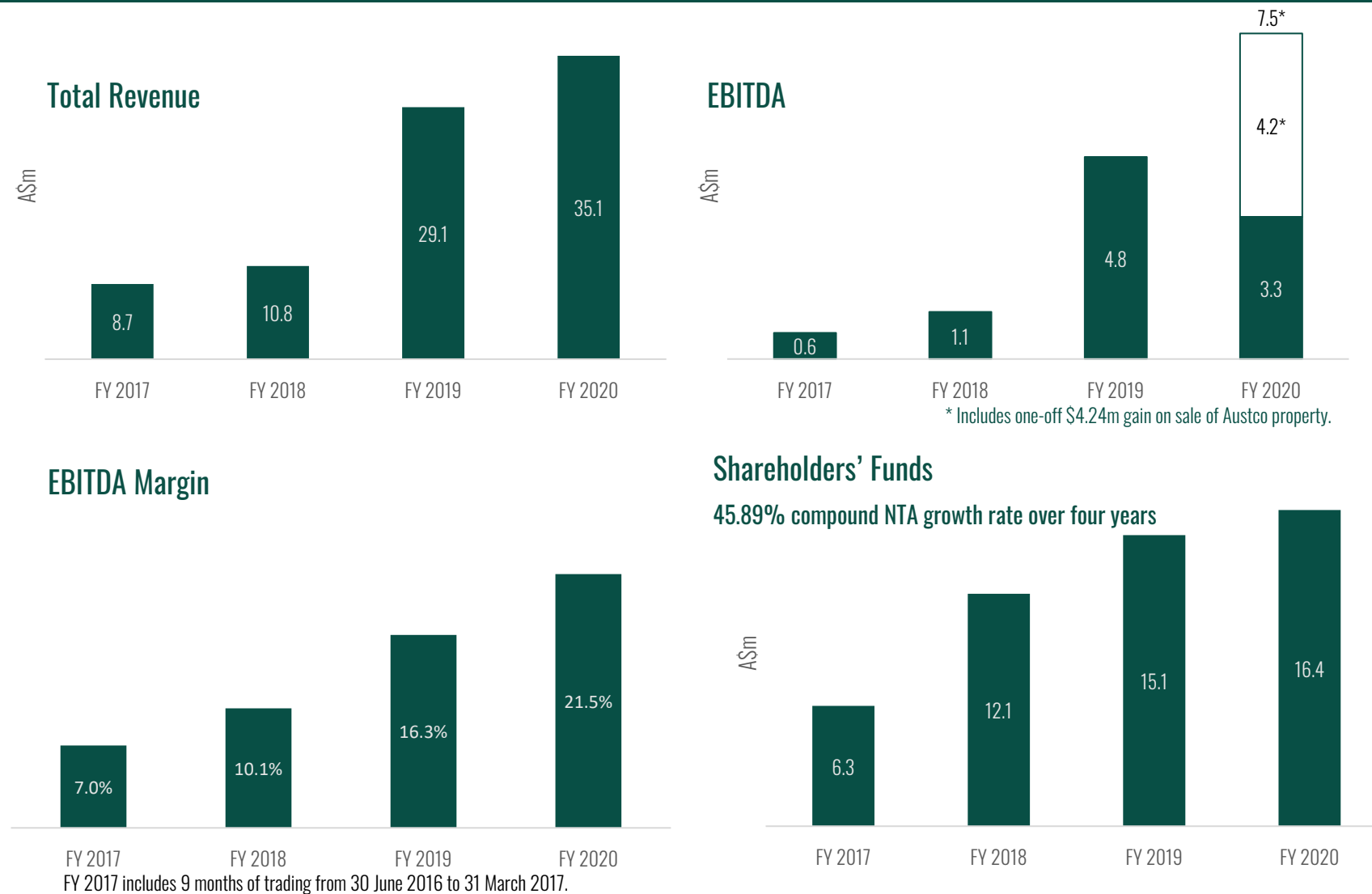
FY20: \$13.3m  
FY19: \$12.4m

- **Business Model:** Red protein export service, tolling revenue with cost+approach
- **Assets:** Blast freezing throughput of 45,000 per week cartons and storage of 10,000 standard size pallets
- **Markets:** Export accredited to key destinations including China, Japan, Korea, EU, USA, Middle East (including Halal certification)

# Four years of growth with financial discipline

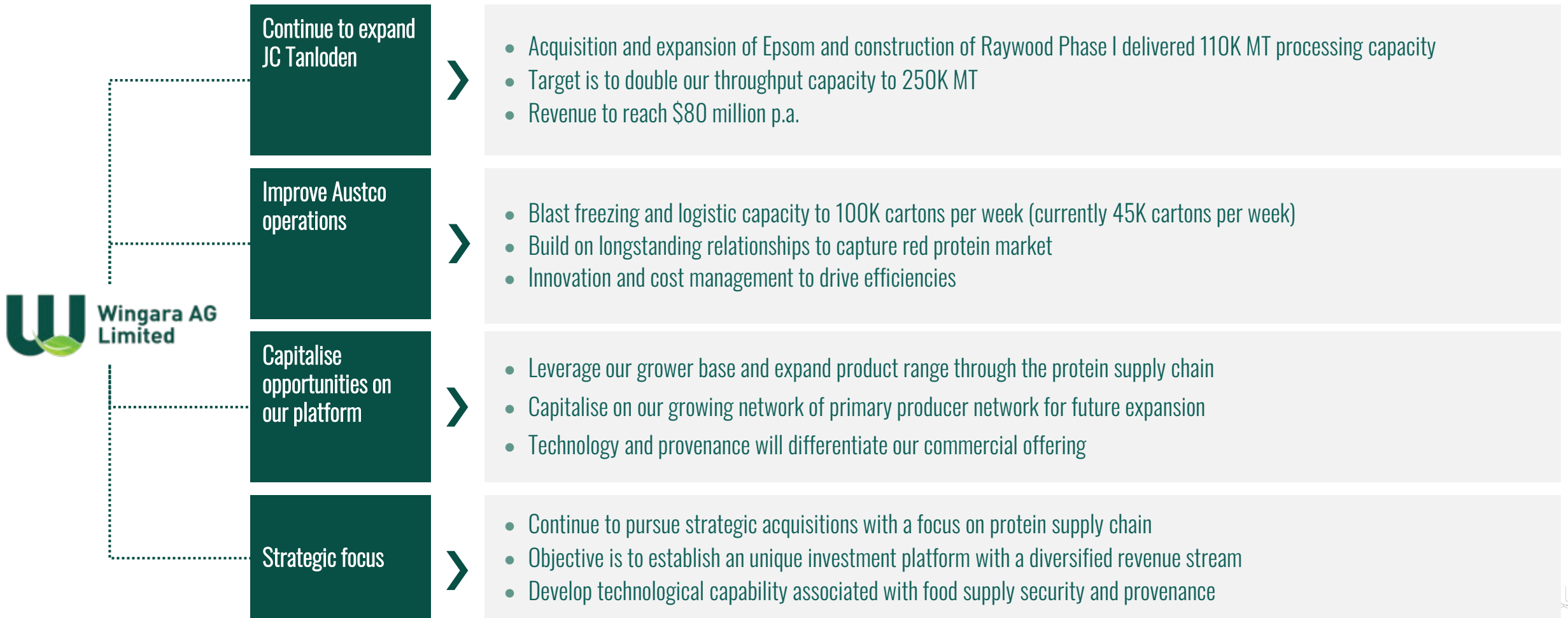
- FY20 financial performance reflected successful execution of our focused growth strategy and resilient business model
- Revenue exceeded \$35 million for the first time, growing at 42% CAGR
- Considering a turbulent macro-economic environment due to bushfires, drought and COVID-19, revenue still increased by 20% from FY19
- Underlying EBIDTA (include net capital gain) grew 59% to \$7.5 million, growing at 88% CAGR over 4 years
- Operating cashflow has increased 7x to over \$1.5m

Focus has been on successfully integrating new assets and firming cash position to underpin Wingara's next growth phase



# Well positioned to deliver continued strong growth

Wingara is well positioned to capitalise on expected increased customer demand over the next 5 years



# Oversubscribed raising facilitates immediate growth opportunities

## Several new institutional shareholders joined Wingara's share register

- Single tranche placement of 26,513,833 new ordinary shares at A\$0.19 per share, raised approx. \$5.037m before costs
  - WNR utilised its placement capacity under ASX Listing Rule 7.1 & 7.1A
- Directors of Wingara have committed to subscribe for an additional \$100,000 subject to shareholder approval

## Underpinning WNR's next growth phase

- Funds raised are being used to facilitate immediate growth opportunities for fodder export within JC Tanloden:
  - New infrastructure to add 10,000 MT of additional storage capacity: approx. \$1.0m
  - Purchase of additional hay inventory to deliver up to 25,000 MT more output in 2021: approx. \$3.7m
  - Costs of the offer and working capital: approx. \$0.3m

**Conservative balance sheet, further enhanced by August's capital raising, underpins the investments in increased inventories and additional infrastructure to allow us to deliver on the opportunities we see for JC Tanloden in 2021 and beyond**

# Successfully delivering on growth strategy

## Lead indicators pointing to strong growth in JC Tanloden

- Additional 7,200 MT of hay purchased... hay has been delivered to the Company's sheds, with approx. 22,300 MT in inventory
  - Capital required for this additional inventory was partially sourced from the \$3.7m allocated under the capital raising
  - Further capital will be utilised for the purchase of additional hay inventory to deliver up to 6,000 tonnes per month output in 2021... need to maintain 3-4 months of inventory against forward sales to meet client demand
- Inventory levels are a strong forward indicator of production levels... current level of inventory has delivered a production level for the 6 months to 30 September of circa 26,000 MT, up 34% compared to the same period last year

## Planning for JC Tanloden's new hay shed has commenced

- Some of the funds raised in August are being used to build new infrastructure to add 10,000 MT of additional storage capacity
  - Additional capacity is needed to support the increased production levels from JC Tanloden expected in 2021 and beyond
- Shed construction planning has commenced, and if all proceeds as planned, the new shed is expected to be complete by the end of April 2021

# Investment highlights



Unique platform connects primary producers to the global market efficiently through our protein supply chain (China, EU, Japan, Korea, US)



Strongly positioned to capitalise on the growing Asian demand for quality Australian agricultural produce. The resurgence of the Asian market due to successes in managing COVID is bolstering performance.



Fully accredited export facilities with unique competitive advantage to facilitate growth potential. The geographic diversification of our markets also provides a safety net.



Diversified multi-product, multi-region business model addresses risks such as drought, bushfires & COVID-19, and has seen the business continue to grow in an adverse operating environment. With diversified revenue streams, overall performance has gone from strength to strength.



Despite the inevitable effects of COVID-19, market demand for fodder continues to outstrip supply. JC Tanloden's output is undiminished and growing significantly as planned. 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.



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.



An aerial photograph of a field. The top right portion is a lush green field with visible rows of crops. The bottom left portion is a grey, textured area, possibly a road or a different type of field, with diagonal tire tracks. A diagonal line separates the two sections.

# Appendix

# Enabling Australian agricultural products to reach end markets

## MISSION

- To enable products reach end consumers efficiently and securely, with provenance

## GROWTH STRATEGY

- To build a supply chain platform based on acquisition and organic growth
- Extract additional value from unutilised capacity

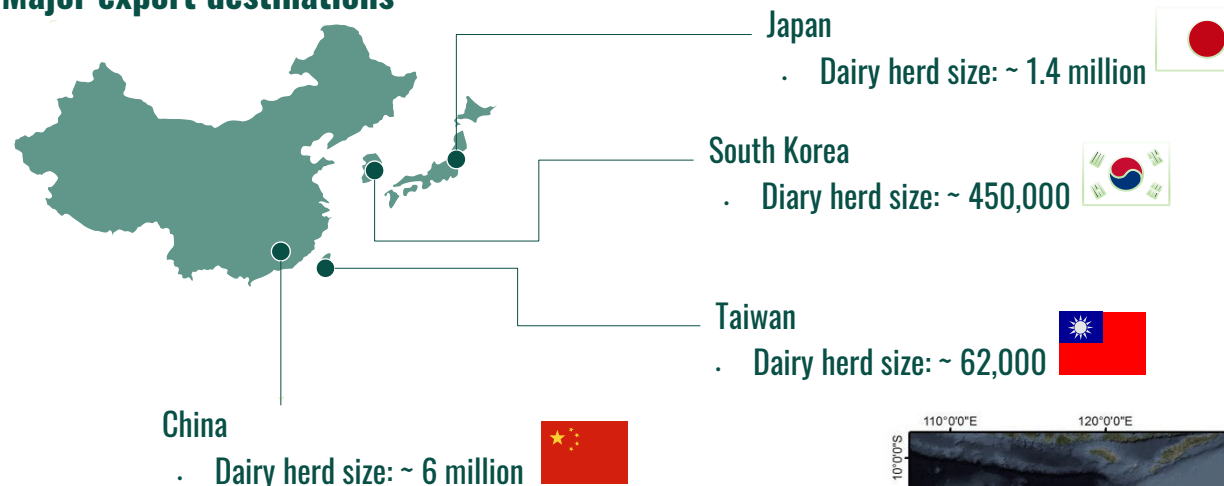
## WNR'S BUSINESS MODEL

- Owns and manages critical export infrastructure assets within the protein supply chain
- Cost-plus tolling revenue model based on throughput guarantees margins
- Capitalise on our global trading network
- Partnership with primary producers with a greater access to products for export
- Diversification through multi-product approach

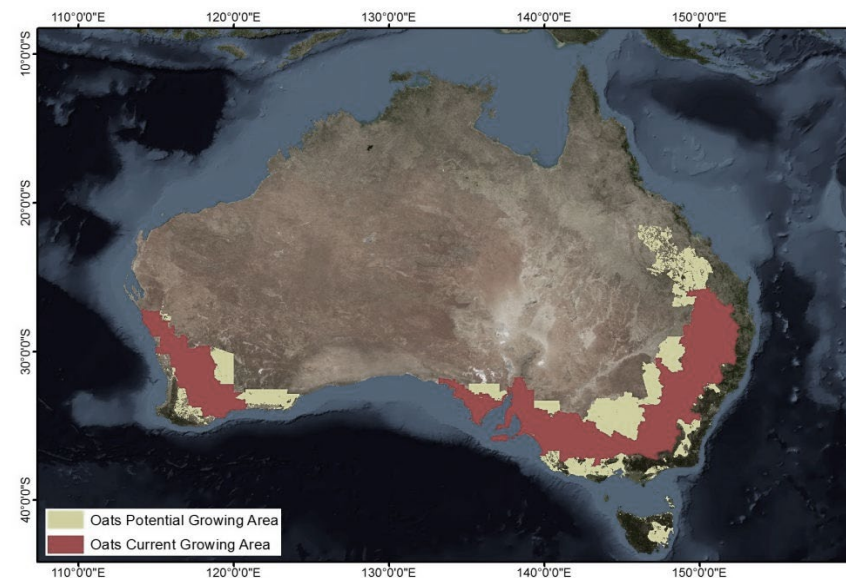
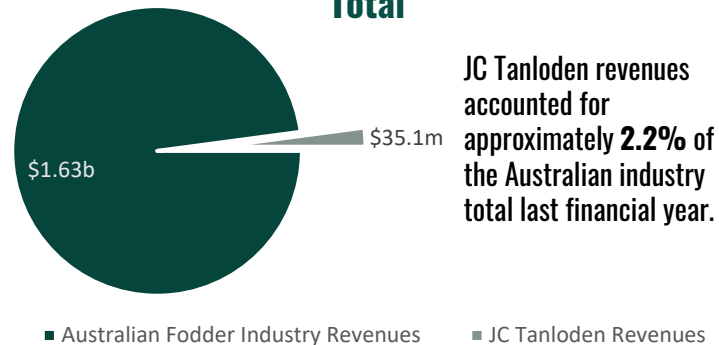
# JC Tanloden Profile

- JC Tanloden was one of the first Victorian fodder exporters, already enjoying a 30-year history. We purchase, process and transport our high-quality produce to our domestic and global customers
- Australian fodder industry revenues currently around \$1.63b
- Revenue is generated via a tolling model where processing fees charged are dependent on the grade of hay
- Typically consistent in terms of margin which is based on a cost-plus structure
- Following brownfield improvement at Epsom and greenfield development at Raywood, we boast the East Coast's largest throughput capacity, at 110Kt, with a storage capacity of 30Kt

## Major export destinations



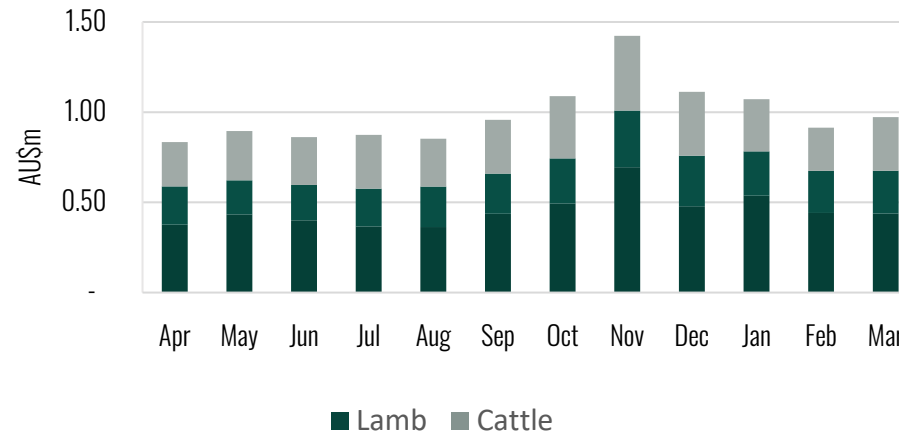
## JC Tanloden Revenues vs Australian Industry Total



# Austco Polar Profile

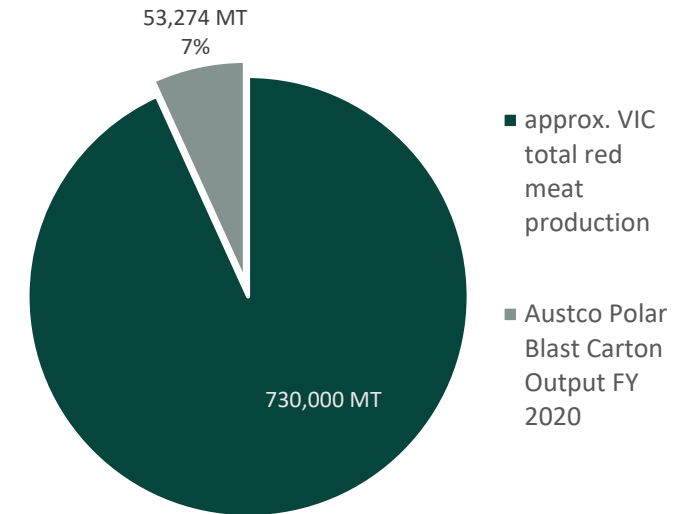
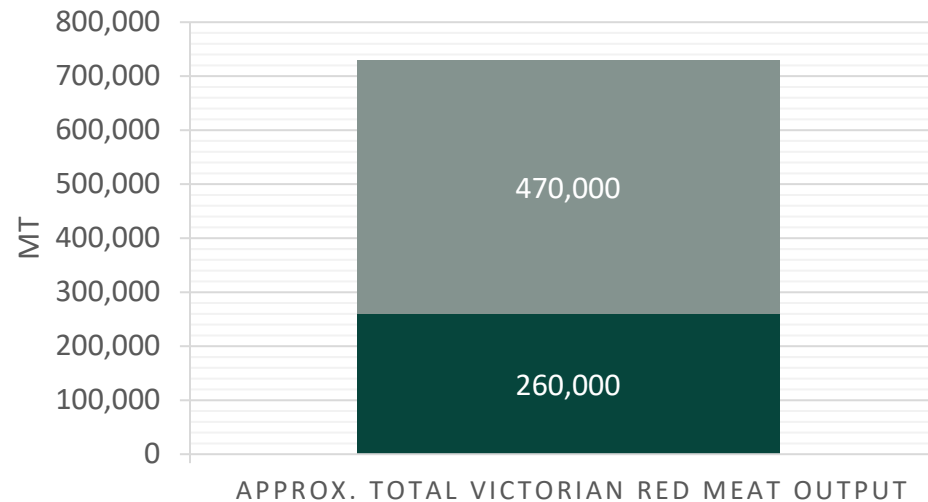
- Established in 1987, Austco Polar Cold Storage owns and operates a cold storage facility which specialises in temperature-controlled facilities, blast freezing, storage and distribution for domestic and international clients.
- Key clients account for over 30% of VIC meat production.
- Austco Polar is one of the largest blast freezing service providers in Victoria
- Throughput capacity: 60K t
- Storage capacity: 10K pallets
- Export accredited site with Halal certification

APC 2019/20 Income Breakdown by Services



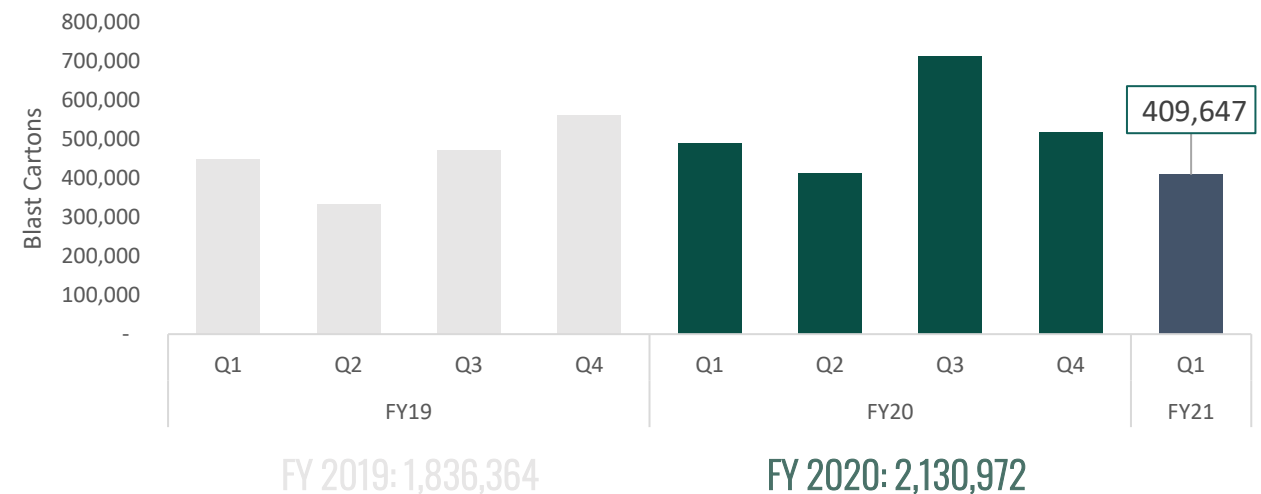
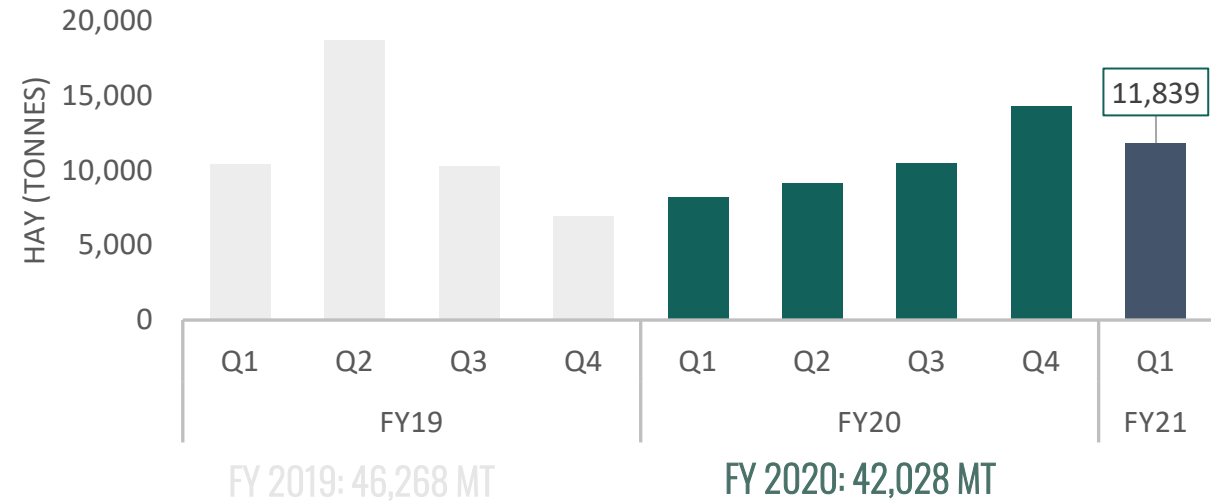
- Handling
- Storage
- Blast Freezing

. Sheep farming has \$4.7b industry revenue in Australia  
 . 2015-20 annual growth at 5.5%  
 . Beef farming has \$18.7b industry revenue in Australia  
 . 2015-20 annual growth at 5.2%



# Q1 FY21 performance

- Focus for Q1 FY21 was consistency as well as re-stocking of inventory anticipating potential COVID-19 related logistic interruptions
- JC Tanloden's output was slightly affected by changing / delay in ship liners' scheduling due to COVID-19
- Overall export demand is solid, with China in particular showing signs of recovery post its economy re-opening after COVID-19
- Historically, Q1 ending June for Austco Polar sees less volume from the peak in Q3 due to the slowdown in lamb exports. Nonetheless, volume was affected by COVID-19 in key global markets
- With the closure of various processing facilities in Victoria due to COVID-19, Q2 FY21 is expected to have similar blast volumes



# Revenue run-rate growing to \$40m p.a.

- Wingara's diversified asset investment model produced a solid Q1 FY21 result. Cash receipts reached \$10.02m, up 31.3% up vs Q1 FY20.
- Revenue growth is on comparable momentum and reached \$20m+ for the 6-months ending 30 June 2020
- Amid COVID-19 challenges, current revenue run rate of \$40m p.a. is built on a base revenue of \$10.7m from just over 2 years ago in FY18
- Asset base of over \$50m with less than \$5m core debt reflects company's disciplined capital management
- YoY quarterly revenue growth, and the redeployment of profits from the sale and lease back of Austco Polar, allowed hay inventory volume to increase 81% (vs Q1 FY20) to meet demand
- Appointment of David Christie as a Non-executive Director, and resignation of Mark Hardgrave

Quarter end	Jun-19	Sep-19	Dec-19	Mar-20	Annual Total	<i>Jun-20</i>
Financial Period	Q1 FY20	Q1 FY20	Q3 FY20	Q4 FY20	FY 2020	<i>Q1 FY20</i>
Receipts from customers (\$m)	7.63	8.13	9.34	10.58	35.68	<i>10.02</i>
Net Cash From Operating Activities (\$m)	1.93	1.09	-1.13	-0.32	1.58	<i>-0.02</i>
JCT fodder throughput (MT)	8,175	9,125	10,449	14,279	42,028	<i>11,839</i>
JCT fodder inventory (MT)	8,981	2,434	18,515	15,777		<i>16,278</i>
Austco Blast freezing cartons	488,852	412,492	712,118	515,510	2,130,972	<i>409,647</i>

**We have clear visibility on several exciting opportunities to enhance Wingara AG's organic growth trajectory and leverage the agricultural infrastructure platform we have built.**

# Disclaimer

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We connect primary producers to the global market  
efficiently through our protein supply chain.

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