Wingara AG Limited

Company update and equity raising

David Christie (Chair), James Whiteside (CEO) and Jae Tan (CFO)

1 September 2021

Significant transformation over the past 6 months

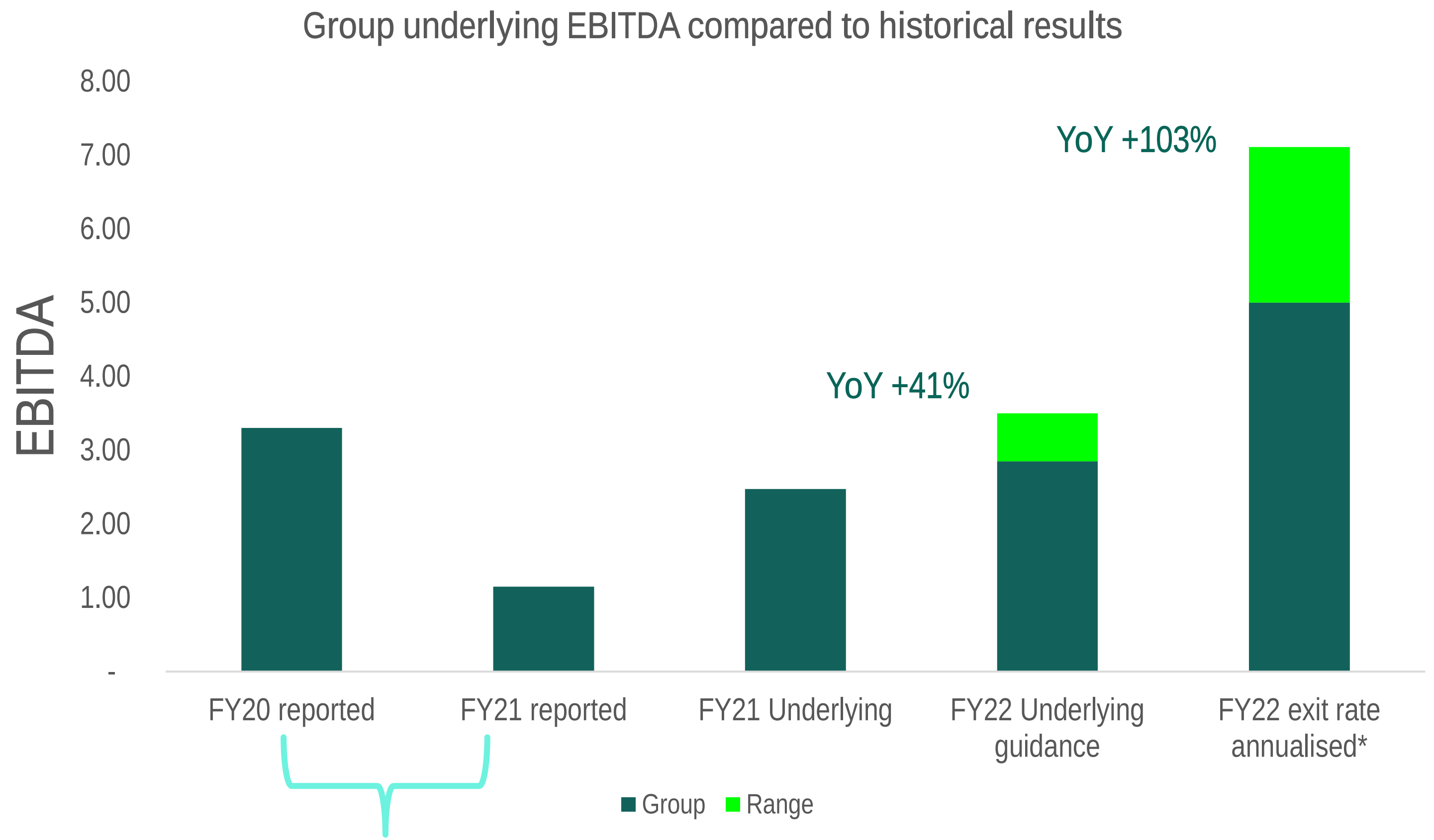
Wingara Group

- Experienced Independent Chair and Board appointed
  - Robust corporate governance and oversight instilled across the business
- New experienced leadership team
  - James Whiteside appointed CEO
  - Jae Tan appointed CFO
  - Zane Banson (previously CFO) appointed CCO
- Annualised corporate cost savings of $1m pa implemented in Q4 FY21
- Positive operating cash flow achieved in Q1 FY22
- Strategic review of Austco Polar completed

JC Tanloden

- Consistent achievement of record quarterly production levels
- 24/7 operation and increased productivity
- More work is nonetheless required to improve plant reliability and uptime
- Stronger connection to growers and customers with removal of trading intermediaries
- Installation of additional hay press at JC Tanloden as announced to the market on 6 August 2021 has the potential to lift production by an additional 30,000MT per annum
- JC Tanloden is now poised to take advantage of current strong market conditions and another step change in plant performance

Substantial growth opportunity



65% reduction in EBITDA driven by (i) one-off costs including unfavourable procurement, bad debts, corporate restructure and capital write-offs; and (ii) March-20 COVID impact driving higher logistic costs and weaker USD

**Projections and estimates are based on information known and available on the date of this presentation and may vary due to factors such as changes in commodity prices and market conditions, effects of the coronavirus pandemic, foreign exchange fluctuations and general economic conditions. Refer to slide 14 for further details.*

- **FY22 will be a story of two halves.** Significant amount of work has been done in H1 to create a success platform for H2, including, but not limited to:
  - Completion of new management team, business review and a newly established strategy
  - Significant work on machine uptime has increased production capacity
  - Securing additional hay press
- **FY22 Underlying EBITDA** expected to be in the **range of $2.85 to $3.50m**, underpinned by the following assumptions:
  - A minimum capital raise of $5.0m
  - JC Tanloden annual production of up to 120,000MT achieved
  - Austco Polar remains with Wingara with operations consistent with FY21
- Investment will unlock next level of production taking annualised **production potential up to 150,000MT** with an **annualised EBITDA potential of $5m to $7m.**

JC Tanloden well placed for growth

JC Tanloden is well placed to drive production increases to grow share in its existing markets and to participate in new market development in Asia. Industry consolidation is inevitable and businesses with momentum and access to capital will be well placed

Global market

- Global fodder market is 9 million tonnes and growing.
- Largest market is Japan (2mt), though China rapidly approaching. Middle East (Saudi and UAE) also growing rapidly.
- Largest supplier is the US (60%), with Australia and US having freight advantages for North Asia.
- Middle East supplied from more sources (Europe and subcontinent) and accessible for Australian producers only from WA.
- Most global production relies on irrigation. Australia is an exception. This is a key competitive advantage.

Australian market

Structure

- 16 significant players, the largest with 40% market share. JC Tanloden has 8%
- Many are small, and undiversified: export fodder is typically their primary activity.
- 5 have operations in more than one state (WA, SA & Vic), 9 operate in one state only. All are privately owned (except JC Tanloden)
- No independent market indicators or pricing reporting

Conduct

- Relationship based: sourcing relies on strong grower relationships and strong understanding of domestic market (which sets export cost price). Selling relies on strong relationships with end users. There are few intermediaries
- Execution capability is critical: export logistics, price risk management
- Producers have competed vigorously but cooperate on export market development (AEXCO) and R&D (Agrifutures)

Performance

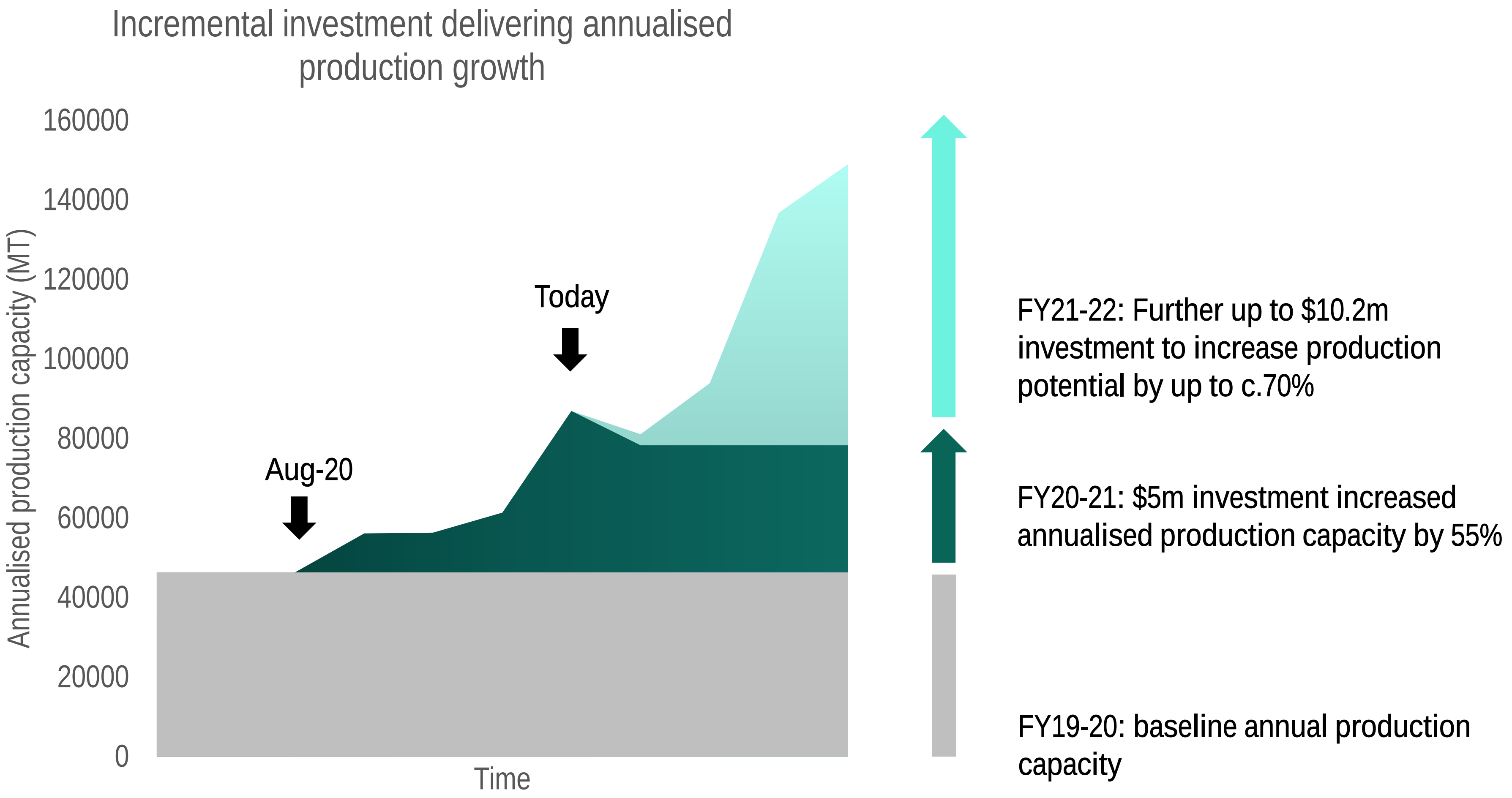
- Industry profitability has been strong, buoyed by steady demand growth and resulting in over capacity
- Changes in access to China is a major disruptor and will lead to industry restructuring and is driving attempts to grow markets by increasing share of rations, new markets such as Indonesia, Malaysia and the Middle East

Funds raised in August 2020 increased JC Tanloden's production capacity

Intended use of funds	$m	Actual use of funds	$m
New infrastructure to add 10,000MT of additional storage capacity	1.00	Investment redirected to improving machine availability, supporting higher turnover cycles	0.85
Purchase of additional hay inventory to deliver up to 25,000MT more output in 2021	3.70	Additional hay inventory purchased, albeit at lower quality and higher price. Achieved YoY output increase of c23,600MT	3.70
Cost of offer and working capital	0.30	Cost of offer and working capital	0.45
Total	5.00	Total	5.00

- Increase in JC Tanloden's production output was within the expected range at the time of the August 2020 capital raise. Funds were redirected to production facilities, rather than storage, to achieve the growth
- Significant one-off costs were incurred to support business restructure following departure of previous CEO
  - Includes impacts of adverse hay procurement, bad debts, corporate restructuring and written off capital spend
- Underlying cash generation of the business has been below expectations due to COVID-19 impact on logistics costs and Austco Polar volumes

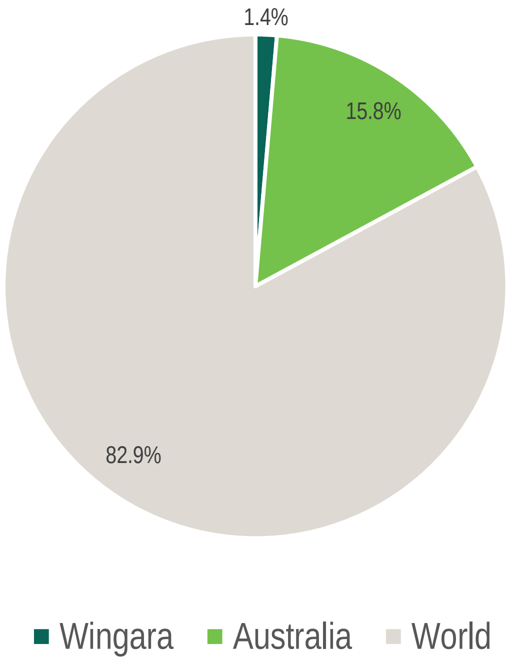
Growth capital to unlock JC Tanloden's next step change in production



- In 2020 $5m was invested to increase annualised production capacity by 55%, in a COVID-19 impacted economy. This was achieved
- Current production levels challenged without additional working capital
- Work over the last 6-8 months around people restructure, process improvement and asset care will allow a further up to $10.2m of growth capital to further increase annualised production potential by up to c.70%

JC Tanloden has significant scope to grow share in a fragmented market

Current share of global imports into our markets (China, Japan, Korea, Taiwan)



Source: Jumbuk, UN Comtrade, internal company analysis

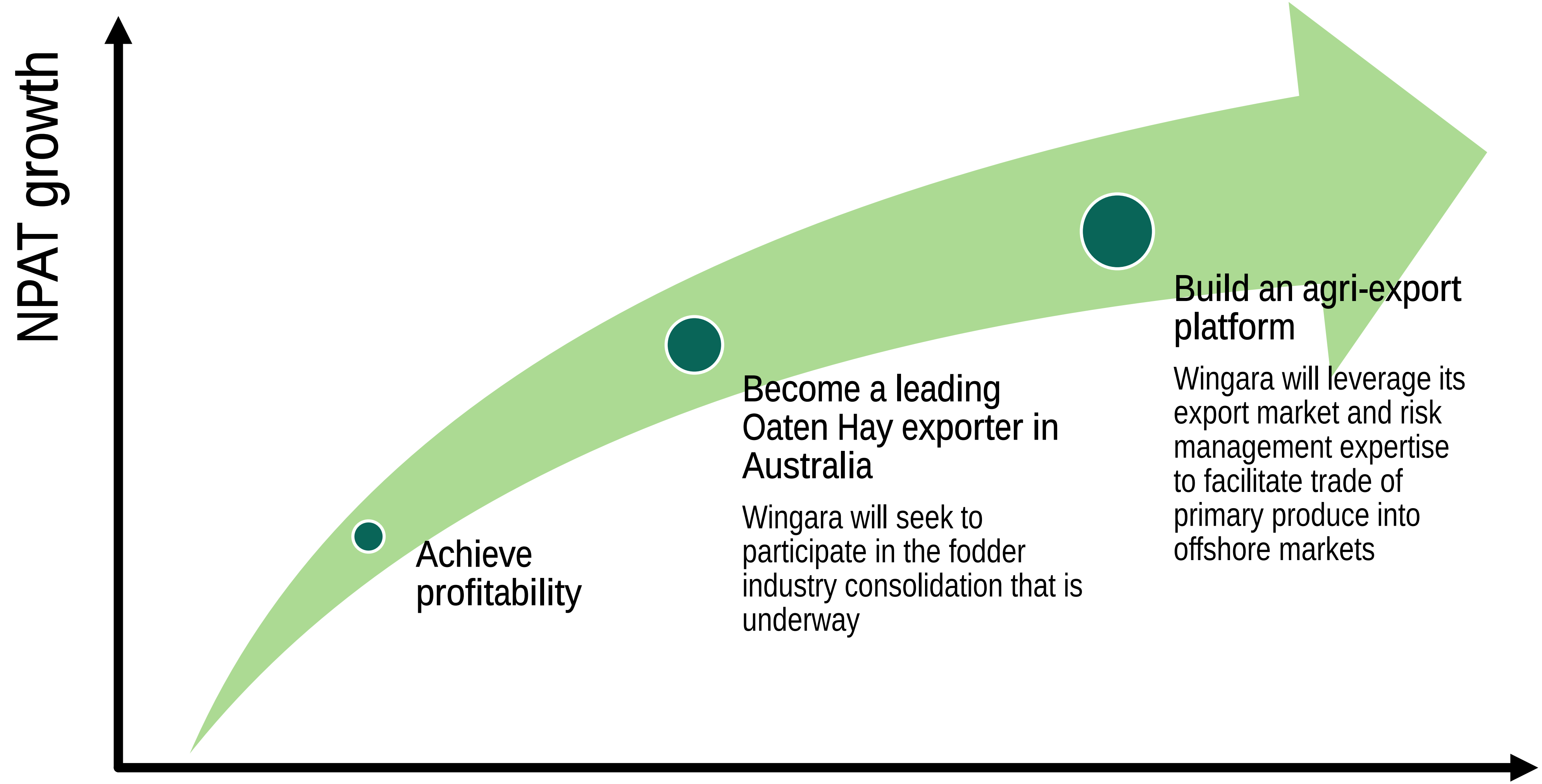
Growth capital injection for organic growth

+8pp Increase share of Australian export market (16%)

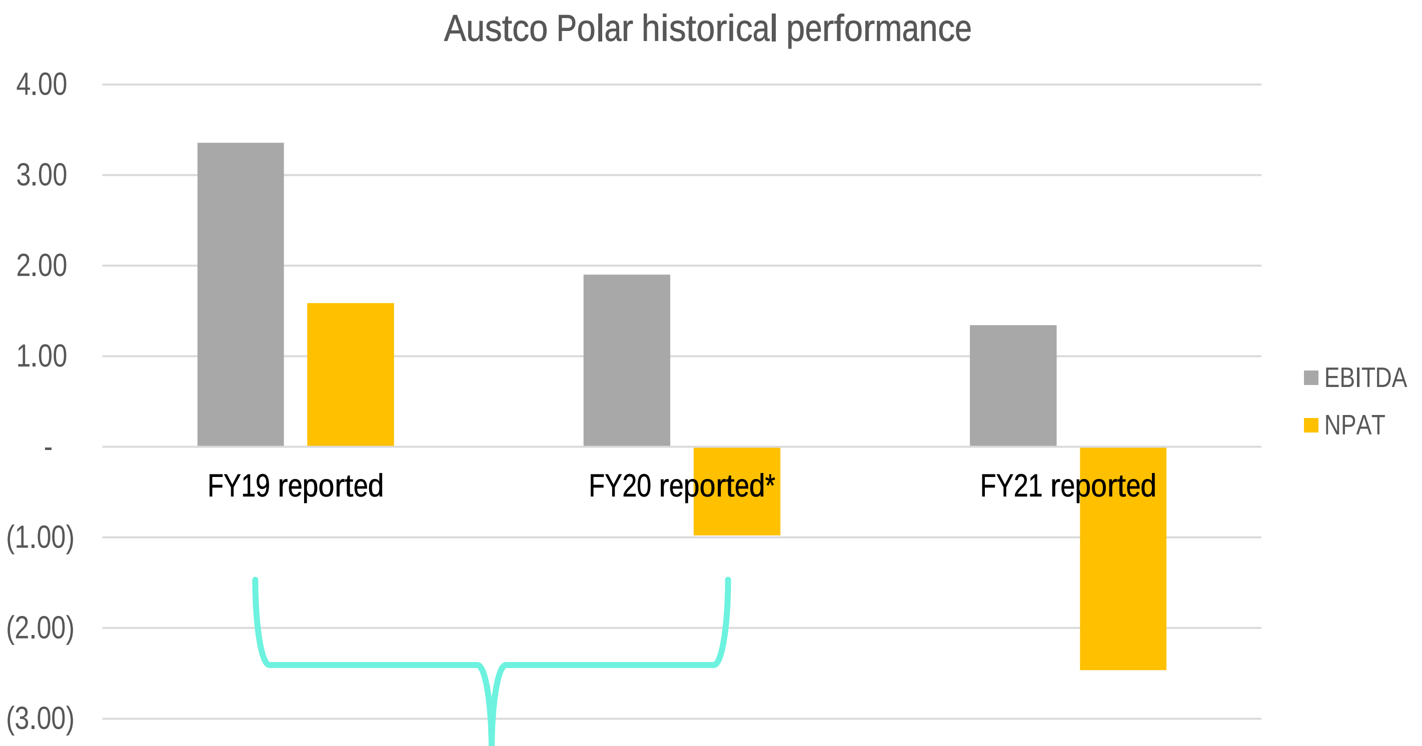
+1pp Increase share of global imports into our existing markets (2.4%)

- Australia's hay exports YTD 20-21 season is 10% higher than the 5-year average
- JC Tanloden's share of the Australian export market is 8.0%, and in the countries we currently export to, JC Tanloden represents 1.4%
- Up to $10.2m growth capital injection to allow for material organic growth to c.16% of the Australian export market, and 2.4% of global imports in our existing markets.
- The UAE market, of which JC Tanloden is not currently participating, is growing with Australia only representing 0.4% of total imports.

Three phase growth strategy



Austco Polar strategic review finalised



In FY20 a sale and lease back arrangement was entered into for the Laverton property. The additional expense, coupled with the macro impacts of COVID and reduced slaughter rates saw operating performance drop.

******excludes profit from sale of Laverton*

- Austco Polar was purchased in February 2018 for $18.5m ($15.1m for the property and $3.4m for the business)
- On 23 August 2019, Wingara entered into a sale and leaseback agreement for the Laverton site, receiving proceeds of $21m and booked a capital gain of $4.2m
- The leaseback arrangement introduced additional cost into the business, and with the downward macro trend of the meat industry, management commenced a strategic review of the business
- It was concluded that Austco Polar (i) did not provide the synergies previously envisaged; (ii) did not fit into our long-term strategy; (iii) capital is best deployed on JC Tanloden; and (iv) Wingara were not the natural owners for it
- Consequently, the decision has been made to free up capital by exiting the business

FY22 strategic focus and outlook

01
Return to core: change in strategic focus to Hay exports

- Carry strong volume run-rates into FY22 with export market demand expected to continue to exceed supply
- Plan to increase production at JC Tanloden well advanced
- Improved Sales and Operations planning processes to drive margin improvement and improve plant reliability
- Market consolidation: continue to assess strategic acquisitions and expand geographical access
- Looking at new export market entries and the addition of other fodder products, new geographies

02
Strategic review for Austco Polar completed

- Challenging industry conditions not expected to abate in the near term
- Whilst retained in the business – focus on managing to break even to minimise cash burn
- The decision has been made to free up capital by exiting the business

03
Build trust and maximise shareholder returns

- Reset Company Culture and Values
- Full year effect of Q4 FY21 cost savings
- Implementation of Lean Program across all business segments; full review to minimise waste and improve cost effectiveness
  - Streamline operational processes
  - Optimise labour force
  - Reduce working capital requirements
  - Improve gross margins
- Sustenance capital to improve plant performance and continue to keep people safe

Accelerated Non-renounceable Entitlement Offer (ANREO)

Wingara is seeking shareholder support to enable us to continue the growth momentum built up over the last 6 months, pursue our strategy and increase shareholder value.

Capital raising via a non-underwritten ANREO:

Capital raising	
Ordinary shares on issue	132,782,273
7:10 Entitlement Offer	92,947,591 entitlements to purchase ordinary share at 11cps 1:1 attaching option, expiring 31 December 2023, strike price of 17c
Total offer funds	$10,224,235

Up to $10.2m entitlement offer to capitalise on immediate opportunities and set up for growth

Use of funds ($m)	Offer Funds ($m)	Value creation
Investment in current infrastructure	1.6	Improvement in plant uptime and reliability at JC Tanloden resulting in additional capacity of 20,000 – 25,000MT Resulting in 30 – 40% increase on FY21 production.
Purchase of additional hay inventory to match increased machinery uptime	6.9	Purchase of approximately 20,000 to 25,000MT of Oaten hay at new season pricing and funding of increased production costs, capitalising on margin expansions resulting from (i) excess domestic supply; and (ii) increased demand in the Chinese market.
Investment in the operations of an additional hay press	1.0	Additional annualised revenue of c.$3.0m from forecast 30,000MT of increased production (over and above current infrastructure).
Growth capital for inorganic growth	0.5	Due diligence for strategic inorganic opportunities including an acquisition of a complimentary asset in the next 9 – 12 months.
Costs of the Offer	0.2	
Total	10.2	

Indicative timetable

Event	Date
Trading halt lifted	1 September 2021
Trading recommences on an ex-entitlement basis	1 September 2021
Record Date for the Retail Entitlement Offer	5:00pm on 1 September 2021
Settlement of Institutional Entitlement Offer	3 September 2021
Quotation of Shares issued under the Institutional Entitlement Offer	6 September 2021
Prospectus despatched to Shareholders	6 September 2021
Retail Entitlement Offer opens	6 September 2001
Last day to extend Retail Entitlement Offer closing date	13 September 2021
Retail Entitlement Offer closes	15 September 2021
Announcement of results of Retail Entitlement Offer	20 September 2021
Settlement of the Retail Entitlement Offer	21 September 2021
Quotation of Shares issued under the Retail Entitlement Offer	22 September 2021
Expected despatch of holding statements for retail holders	28 September 2021

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