

ASX Announcement

14 February 2022

Impact of Omicron and update of market guidance**Summary:**

- **The performance of the business is improving although company operations have been substantially impacted COVID-19 and particularly by the Omicron variant.**
- **EBITDA pre significant items for the financial year ending March 2022 now revised to be in the range of \$2.0 million to \$2.3 million**

Wingara AG Limited (ASX: WNR), the owner and operator of value-add, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets, provides the following update to EBITDA pre significant items guidance it provided to the market in September 2021.

The impact of COVID, particularly the Omicron variant since December 2021 has been significant in creating labour shortages, and their consequential impact on critical preventative maintenance, has resulted in significant plant downtime and delays to commissioning of new equipment to enhance plant performance. As a consequence, production is forecast to be around 96,000 metric tonnes compared to 120,000 metric tonnes previously forecasted.

COVID-19 has also had a significantly negative impact on Austco Polar Cold Storage, with the supply chains of a number of key customers (including abattoirs) interrupted. Blast freezing and storage volumes are down approximately 9% from volumes forecast in September 2021. The sale process of Austco Polar Cold Storage is continuing, with a number of interested parties reviewing the operations.

Due to these substantially negative events, the company now advises that expects EBITDA before significant items to be between \$2.0 million and \$2.3 million.

Commenting on the performance, Wingara's Chief Executive Officer James Whiteside said:

"We have made significant progress to address the performance of the business on a number of levels, since the new management assumed control in July last year. In particular, business processes have been substantially enhanced. At JC Tanloden, we have seen trading margins improve as a consequence of better price risk management and despite the near doubling of container freight prices. We have also commissioned a second press at Raywood and have increased total production by approximately 50%. At Austco Polar, a focus on customer contract management and labour efficiency has resulted in improved business performance despite the impact of COVID-19 on volume through the plant and the cost and availability of the workforce."

“It is extremely disappointing that these events beyond our control have negated much of the work that the management team has done over the last six months although we clearly recognise that there is more work that is required, as we have not been able to deliver what was promised to shareholders”, Mr Whiteside said.

“We continue to focus on improving the fundamentals of the business and remain confident that the plans that have been initiated are the correct ones, and as the impact of the pandemic begins to taper, a trading performance in line with previously provided guidance will be re-established.”

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

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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/>

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. 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.