Wingara AG Limited
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ASX Announcement
31 August 2022

Chair and CEO's Address to Shareholders

Wingara AG Limited (ASX:**WNR**) ('**Wingara**' or the '**Company**'), presents the remarks of the Company's Chair and CEO, to be presented at the Wingara AG Limited Annual General Meeting today.

This announcement has been approved for release by the Board 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.

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.

Wingara AG Limited 2022 AGM

Chair's Address

Although FY22 was another challenging year for Wingara, there have been a number of improvements in the business that are reflected in its performance and that set it up well for the future. I'd like to take you through what the Board has been doing over the last twelve months, and will then ask the CEO, James Whiteside, to update you on the operational performance of the business.

Our performance has been strong despite some significant headwinds, many associated with COVID-19. It is the same story across many parts of the economy: not only has COVID affected many of our people, with consequential interruptions to our operations, but it has also substantially reduced the available supply of talent to fill the number of vacancies we have across all of our sites. This labour shortage is showing little sign of abating and is likely to be a factor in our preparation of future plans for the businesses.

Safety remains the number one focus of the Board and I have to report that there is more work required to achieve our goal of Zero Harm. We have focussed on improving the safety of our plant and our processes, although there is still more work to be done in these areas. However, the real focus over the next 12 months is on our people, to make sure that they maintain a mindset where safety is their number one priority. Due in part to the challenges of securing a stable and reliable workforce, the nature of our operations and the unacceptably high turnover of people means this focus remains vitally important.

For FY22, **revenue** from continuing operations for FY22 was up 43% to $50 million with EBITDA up 74% to $1.7 million, when compared to the prior year. This was primarily due to increased hay production from JC Tanloden, from 63.9 thousand tonnes in FY21 to 96.6 thousand tonnes in FY22. Given the headwinds, this was an outstanding result and a testament to the resilience and dedication of the JCT team.

The most significant decision made by your Board this year was to divest **Austco Polar Cold Storage**. The business has been drawing on cash and impacting profitability and provided no real synergies with the business of exporting oaten hay. As we announced on 22 June, we have signed an agreement to sell the business to AP Cold Storage Pty Ltd and Sui Gardens Pty Ltd and are confident that their final due diligence will be complete shortly, to allow the transaction to be closed out. These processes are always unsettling for all involved and I would like to take this opportunity to thank all of the management and staff at Austco Polar, who have participated in the sale process in a most professional and constructive manner. We are very pleased that the new owners have also indicated their strong desire to retain all of the staff on site once they take over the business.

When this sale process is complete, our focus will be solely on building the capability, profitability, size and scope of JC Tanloden. Shareholders will be aware that trading in the Company were briefly suspended whilst we considered, with the ASX, a transaction involving another party. Whilst in this instance a deal could not be completed, it did signal our intention to participate in the industry consolidation that is likely to occur over the short to medium term, as industry players look to diversify and grow. We believe Wingara is attractive to a number of parties, due to the quality of our assets and, for some, the fact that we are a listed entity. We will of course keep the market informed of further developments in this regard.

Many shareholders again demonstrated their support of the business in the capital raising we undertook in the first quarter of FY22. $4.4 million (net of transaction costs) was raised which supported the significant uplift in production at JCT and, in conjunction with strong working capital management, resulted in a reduction in net debt of 29% (to $6.3 million) at year end. I'd like to extend our thanks to all of our shareholders for their interest and understanding and assure them that the Board and Management remain fully focussed on returning that support through improved financial performance.

I would like to thank my fellow Board members for their support during the year. In September 2021 and then April 2022, we welcomed Brendan York and Marcello Diamante, respectively, to the Board. Brendan brings significant ASX experience, particularly in the areas of financial and risk management, corporate governance and mergers and acquisitions. Marcello knows Wingara well, having been its Chief Financial officer from 2016 to 2018, and so brings a wealth of operational and market knowledge to the business. I'd also like to thank Jeral D'Souza and Steven Chaur, who stepped off the board during the year.

I would like also to thank our customers in both JCT and Austco Polar and the wide network of growers who supply us. Our job is to help you profitably find and access international markets and your support of our efforts in this regard is very much appreciated. And finally, I'd like to than our staff, for their dedication, hard work and resilience, through what has been a challenging year.

I'll hand over to James, to provide some more detail on FY22 and the year ahead.
Thankyou.

CEO Address

Good morning everyone and thankyou David. I'd like to provide a little more detail about our operations this year, and to give you some insight into how we see the year ahead playing out.

As David said, we had record production at JC Tanloden as a consequence of a continuing focus on improving the reliability and performance of our production facilities. The increase also represents the impact of an additional press that we have leased and installed at Raywood. Demand for product continues to be strong in all key markets and several emerging ones, however maintaining margins, in the light of the impact of staff shortages on production, substantially disrupted and more expensive international shipping and the strong performance of all soft commodity markets has meant that our sales team have spent much of the year pushing sales prices to these customers up substantially. These customers are hearing the same messages from our international competitors, and so it is of no surprise to hear that the world is grappling with the impact of substantially rising food prices.

Looking forward, there is some indication that these pressures will abate: sea freight markets are stabilising, albeit at substantially higher levels than pre-Covid and we are enjoying the benefits of a slightly weaker Australian dollar. Nevertheless, growers will maintain strong expectations that processors like us will offer good prices for their crop, given the continued strength of cereal and canola markets. Countering this is the likelihood of bumper yields due to the excellent seasonal conditions in northern Victoria.

David has talked about the strategic rationale behind our decision to divest Austco Polar Cold Storage and has given you an update on the likely timing of the announced deal with the identified buyer. Whilst this process is underway, we have continued to capture opportunities to improve how we manage the site and to grow the business by attracting new customers. Nevertheless, FY22 was another very challenging year for Austco, with revenue up only 3%, and volume increases seen in the first half of the year substantially eroded in the second half due to the resurgence of Covid and its impact on food service. The Austco operation is very labour intensive and labour costs increased substantially as we found ourselves forced to access labour via the very expensive channel of labour hire. Operating and overhead costs also increased at a faster rate than revenue due primarily to necessary investments made in repairs and maintenance, and in higher property costs (insurance and taxes).

Whilst we intend to divest the asset shortly, we have seen a steady recovery in the performance of this business in FY23, as throughput has recovered and several new customers have been, or are in the process of being, onboarded. Nevertheless, the labour shortage remains a critical impediment and is driving us to look for relatively lower labour-intensive customers than has been the case in the past.

Across all of our business, we have focussed on the health and well-being of our staff and continue to invest in safety, to improve our safety performance. This is a much greater challenges in times of staff shortages and when the number of new people that must be properly inducted is high. We have adopted the safety mantra of Zero Harm and will continue to have Safety as a key objective until we achieve this goal.

Finally, I'd like to pass on my thanks to our shareholders. We remain absolutely focussed on delivering value to our shareholders and the initiatives that we have taken, and reported, I believe reflect this. I'd also like to thank the Board for their support and assistance to management: we are a small and absolutely aligned team. I'd also like to thank our staff for their unwavering focus over the last twelve months.