

ASX Announcement

30 January 2023

Quarterly Activities Report

Q3 FY23 headlines:

- **Successful completion of the Austco Polar sale contributed \$1.2m of investing cash inflow in Q3 FY23.**
- **Unprecedented weather events during the quarter, in addition to a reduction in Austco Polar receipts due to the business sale, has resulted in operating cash receipts of \$8.1 million, down 44% and 46% on Q3 FY22 and last quarter, respectively.**
- **YTD FY2023 operating cash flows is up 20% when compared to prior year. Slight operating cash deficit for Q3 FY23 due to 63% increase in inventory holding when compared to Q2 FY23.**
- **JC Tanloden sales volume of 18,001 MT for Q3 FY23, taking YTD FY23 sales volumes to 69,441MT.**

Wingara AG Limited (ASX: WNR) (Wingara or the Company), the owner and operator of value-add, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets, is pleased to provide this quarter's activities report alongside its Appendix 4C (Quarterly Cashflow Report) for the three months ended 31 December 2022 (Q3 FY23).

Commenting on Q3 FY23, Wingara's Interim Chief Executive Officer Marcello Diamante said:

"The unseasonably high rainfall and flooding events during the quarter has resulted in a challenging operating environment for the JC Tanloden business, significantly reducing the supply of hay for the 2023 hay harvest season compared to previous years. Whilst not ideal coming off the back of the Austco Polar sale, management are fully focused on the JC Tanloden business to process safely and efficiently rather than chasing higher volumes.

"Since taking on the role as Interim CEO on 11 November 2022, I have been able to identify many organic and in-organic opportunities and am looking forward to working with management to implement positive changes and drive profitability and returns for our shareholders over the mid to long term horizon."

Challenging operating environment

(\$m)	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	TOTAL	Q1 FY23	Q2 FY23	Q3 FY23	TOTAL
	Jun-21	Sep-21	Dec-21	Mar-22	FY22 YTD	Jun-22	Sep-22	Dec-22	FY23 YTD
Receipts from customers	11.6	12.2	14.5	12.8	51.1	13.7	15.0	8.1	36.8
Net Cash from Operating activities	1.5	0.2	0.2	2.4	4.2	1.2	1.0	-0.1	2.1
Total Hay volumes MT (JCT)	19,852	24,344	26,919	25,466	96,581	26,949	24,491	18,001	69,441
Available Hay MT (JCT)	10,520	11,476	12,069	8,389	8,389	6,390	4,607	7,520	7,520

Wingara has delivered receipts from customers of \$8.1 million, down 46% on prior quarter due to the reduction of hay supply as a result of a challenging 2023 hay harvest season, coupled with the strengthening of the Australian dollar. Net cash from operating activities has decreased by \$1.0m from prior quarter due to reduced production associated with the weather events, as well as build-up of inventory.

JC Tanloden

- Hay volumes processed at JC Tanloden ended Q3 FY23 on 18,001MT, down 26% on prior quarter. The reduced production from prior quarter was a result of the impact of the unseasonably high spring rainfall which reduced hay supply.
- Focus in the near term will be on improving processing efficiency, reducing overhead spend and managing working capital.

Financial update

Receipts from customers were \$8.1 million for Q3 FY23. Investing activities of \$0.9m relates mainly to proceeds from the sale of Austco Polar (net of transaction costs). Net financing payments of \$1.4m relating to fluctuations in our revolving loan facility and repayments of lease liabilities. The table below provides a summary of Receipts and Expenditures and business activities for Q3 FY23 (refer also the accompanying Appendix 4C):

	Q3 FY23 (3 months to 31 Dec 2022) \$'000	FY223 (YTD) \$'000
Receipts from customers	8,078	36,800
Operating costs	(5,894)	(24,340)
SG&A (corporate overhead)	(2,233)	(10,373)
Investing activities	937	760
Financing payments / receipts	(1,417)	(3,561)

Note: Numbers in the table are presented on a cash basis, consistent with the Appendix 4C.

Payments to related parties over Q3 FY23 were \$56,539, which included fees paid to directors.

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

For further information please contact:

Jae Tan
 Chief Financial Officer
 E: jae.tan@wingaraag.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/>

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Wingara AG Ltd

ABN

58 009 087 469

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,078	36,800
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,209)	(13,129)
Hay Purchases	(2,684)	(11,211)
(c) advertising and marketing	-	-
(d) leased assets		
(e) staff costs	(1,922)	(8,850)
(f) administration and corporate costs	(124)	(775)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(188)	(712)
1.6 Income taxes paid	-	(36)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	-	
1.9 Net cash from / (used in) operating activities	(49)	2,087
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(180)	(382)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses	1,208	1,208
(c) property, plant and equipment	-	25
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	(91)	(91)
2.6 Net cash from / (used in) investing activities	937	760

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings	1,250	7,400
3.6 Repayment of borrowings	(1,954)	(7,743)
3.7 Transaction costs related to loans and borrowings	(14)	(14)
3.8 Dividends paid		
3.9 Other (provide details if material)	-	(75)
Payment for leased assets (i)	(699)	(3,129)
3.10 Net cash from / (used in) financing activities	(1,417)	(3,561)

(i) *The Group has adopted accounting standard AASB 16 Leases with effect from 1 April 2019. In accordance with the requirements of AASB 16 cash payments for the Group's Lease Liabilities are presented within financing activities.*

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,443	1,628
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	2,087
4.3	Net cash from / (used in) investing activities (item 2.6 above)	937	760
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,417)	(3,561)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	914	914

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	914	1,443
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	914	1,443

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	57
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																																				
7.1	Loan facilities	10,288	7,445																																				
7.2	Credit standby arrangements	35	-																																				
7.3	Other (please specify)	-	-																																				
7.4	Total financing facilities	10,323	7,445																																				
7.5	Unused financing facilities available at quarter end		2,878																																				
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Facility</th> <th style="text-align: center;">Facility Limit (\$,000)</th> <th style="text-align: center;">Drawdown (\$,000)</th> <th style="text-align: center;">Interest Rate</th> </tr> </thead> <tbody> <tr> <td>Inventory Loan Facility</td> <td style="text-align: center;">5,000</td> <td style="text-align: center;">2,950</td> <td style="text-align: center;">BBSY + 1.12%</td> </tr> <tr> <td>Westpac Facility - Elect Performance Group</td> <td style="text-align: center;">436</td> <td style="text-align: center;">436</td> <td style="text-align: center;">BBSY + 1.58%</td> </tr> <tr> <td>WBC BBBL</td> <td style="text-align: center;">1,830</td> <td style="text-align: center;">1,830</td> <td style="text-align: center;">BBSY + 1.55%</td> </tr> <tr> <td>Commercial Loan</td> <td style="text-align: center;">770</td> <td style="text-align: center;">770</td> <td style="text-align: center;">5.00%</td> </tr> <tr> <td>Asset finance facility</td> <td style="text-align: center;">1,652</td> <td style="text-align: center;">1,459</td> <td style="text-align: center;">5.50%</td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: center;">600</td> <td style="text-align: center;">-</td> <td style="text-align: center;">7.59%</td> </tr> <tr> <td>Corporate Card</td> <td style="text-align: center;">35</td> <td style="text-align: center;">-</td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: center;">10,323</td> <td style="text-align: center;">7,445</td> <td></td> </tr> </tbody> </table>	Facility	Facility Limit (\$,000)	Drawdown (\$,000)	Interest Rate	Inventory Loan Facility	5,000	2,950	BBSY + 1.12%	Westpac Facility - Elect Performance Group	436	436	BBSY + 1.58%	WBC BBBL	1,830	1,830	BBSY + 1.55%	Commercial Loan	770	770	5.00%	Asset finance facility	1,652	1,459	5.50%	Bank overdraft	600	-	7.59%	Corporate Card	35	-		Total	10,323	7,445			
Facility	Facility Limit (\$,000)	Drawdown (\$,000)	Interest Rate																																				
Inventory Loan Facility	5,000	2,950	BBSY + 1.12%																																				
Westpac Facility - Elect Performance Group	436	436	BBSY + 1.58%																																				
WBC BBBL	1,830	1,830	BBSY + 1.55%																																				
Commercial Loan	770	770	5.00%																																				
Asset finance facility	1,652	1,459	5.50%																																				
Bank overdraft	600	-	7.59%																																				
Corporate Card	35	-																																					
Total	10,323	7,445																																					

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(49)
8.2	Cash and cash equivalents at quarter end (item 4.6)	914
8.3	Unused finance facilities available at quarter end (item 7.5)	2,878
8.4	Total available funding (item 8.2 + item 8.3)	3,792
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	77
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30/01/2023.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.