**Wingara AG Limited**
**Appendix 4E**
**Preliminary final report**

## 1. Company details

| | |
|---|---|
| Name of entity: | Wingara AG Limited |
| ACN: | 009 087 469 |
| Reporting period: | For the year ended 31 March 2023 |
| Previous period: | For the year ended 31 March 2022 |

## 2. Results for announcement to the market

| | | | | $ |
|---|---|---|---|---|
| Revenues (including discontinued operations) from ordinary activities | down | 20.3% | to | 39,895,233 |
| Loss from ordinary activities after tax attributable to the owners of Wingara AG Limited | down | 62.7% | to | (3,612,724) |
| Loss for the year attributable to the owners of Wingara AG Limited | up | 62.7% | to | (3,612,724) |

*Dividends*
There were no dividends paid, recommended or declared during the current financial year.

*Comments*
The loss for the Consolidated Entity after providing for income tax amounted to $3,612,724 (31 March 2022: $9,696,900).

Please refer to section Review of results and operations on page 3 of the accompanying financial report.

## 3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---|---|
| Net tangible assets per ordinary security | 3.99 | 5.03 |

## 4. Dividends

*Current period*
There were no dividends paid, recommended or declared during the current financial period. On 14 April 2023, subsequent to the financial period, a Special Dividend was declared by the Company of $0.006 per share for a total payment of $1,053,255 made on 5 May 2023.

*Previous period*
There were no dividends paid, recommended or declared during the previous financial period.

## 5. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unqualified opinion has been issued.

## 6. Attachments

*Details of attachments (if any):*

The Annual Report of Wingara AG Limited for the year ended 31 March 2023 is attached.

## 7. Signed

Signed ____________________________ Date: 31 May 2023

Mr David Christie
Non-Executive Chairman
Melbourne

# Wingara AG Limited

**ACN 009 087 469**

## Annual Report - 31 March 2023

**Wingara AG Limited**
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**31 March 2023**


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| | |
|---|---|
| Directors | Mr David Christie (Non-Executive Chairman)<br>Mr Brendan York (Non-Executive Director)<br>Mr Marcello Diamante (Executive Director) |
| Chief Executive Officer | Mr Marcello Diamante |
| Chief Financial Officer | Mr Jae Tan |
| Company secretary | Ms Natalie Climo |
| Registered office | Level 1, 10 Oxley Rd<br>Hawthorn<br>VIC 3122<br>Australia |
| Principal place of business | Level 1, 10 Oxley Rd<br>Hawthorn<br>VIC 3122<br>Australia |
| Share and debenture register | Computershare Investor Services Pty Ltd<br>Level 11, 172 St Georges Terrace<br>Perth 6000<br>Australia<br>1300 55 70 10 (within Australia)<br>+61 8 9323 2000 (overseas) |
| Auditor | William Buck<br>Level 20, 181 William Street<br>Melbourne Victoria 3000 |
| Stock exchange listing | Wingara AG Limited shares are listed on the Australian Securities Exchange (ASX code: WNR) |
| Website | www.wingaraag.com.au |

The directors present their report, together with the financial statements, on the consolidated entity, consisting of Wingara AG Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled (together referred to hereafter as the 'Consolidated Entity') at the end of, or during, the year ended 31 March 2023.

**Directors**
The following persons were directors of Wingara AG Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Christie - Non-Executive Chairman
Mr Steven Chaur - Non-Executive Director (resigned 1 April 2022)
Mr Brendan York - Non-Executive Director
Mr Marcello Diamante – Executive Director (appointed 11 November 2022). Previously Non-Executive Director (appointed 1 April 2022, resigned 10 November 2022)

**Principal activities**
During the year, the principal continuing activities of the Consolidated Entity consist of acting as product processor and marketer of agricultural products. It also acted as a service provider, providing temperature controlled facilities, blast freezing, storage and distribution until 7 October 2022 when those activities were divested.

**Dividends**
There were no dividends paid, recommended or declared during the current or previous financial year. On 14 April 2023, subsequent to the financial period, a Special Dividend was declared by the Company of $0.006 per share for a total payment of $1,053,255 made on 5 May 2023.

**Review of results and operations[1]**
Wingara AG Limited is an owner and operator of value-added, mid-stream assets specialising in the processing, storage and marketing of agricultural products for export markets.

The 2023 financial year (FY23) was a transformative year.

Strong 2023 first half (H1 FY23) results saw significant improvements in business performance when compared to the first half 2022 (H1 FY22) reflecting strong production from JC Tanloden as revenue improved by 13% to $21,316,499 (H1 FY22: $18,868,803). However, the impact of the unprecedented floods on the 2023 season harvest was felt in the second half 2023 (H2 FY23) with shortage in supply of quality Oaten hay leading to a 40% reduction in sales volumes when compared to H1 FY23. As a result, revenue from continuing operations (JC Tanloden) for FY23 fell by 14% ending the year on $33,756,155.

Notwithstanding this, the company delivered a profit after tax (before significant items) result of $13,749 (2022: loss of $2,484,148). The continued focus on margins and operating processes showing progress in FY23.

Over the last year, the company successfully closed two transformative transactions: the sale of the Austco Polar Cold Storage business in October 2022, and subsequently the sale of the Raywood facility in April 2023. These transactions have allowed the company to reset its balance sheet (now debt free) and provided a platform for it to see through the rest of the 2023 season harvest and embark on its revised corporate strategy.

[1] *Throughout this report, certain financial information is presented which is not prescribed by Australian Accounting Standards ('AAS'), such as EBITDA and EBIT. Earnings before interest and income tax (EBIT) reflects profit for the year prior to including the effect of net finance costs, income taxes and loss from discontinued operations. Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects profits for the year prior to including the effect of net finance costs, income taxes, depreciation and amortisation and loss from discontinued operations. The individual components of EBITDA and EBIT are included as line items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Reference to results before significant items excludes the financial impacts of capital raise and share placement costs, share-based payment expenses, project related costs, loss on disposal of property, plant and equipment, impairment of receivables and one-off legal fees. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.*

*Summary of financial results*

| | 31 March 2023 $ | 31 March 2022 $ | Change |
|---|---|---|---|
| Revenue | 33,756,155 | 39,346,244 | (14%) |
| Gross profit | 14,703,872 | 16,071,803 | (9%) |
| EBITDA before significant items | 1,648,988 | 1,721,262 | (4%) |
| EBIT before significant items | 358,499 | 328,054 | 9% |
| Net (loss)/profit after tax (NLAT) before significant items | 13,749 | (2,484,148) | (101%) |
| Discontinued operations loss before significant items | (1,567,353) | (1,380,855) | 14% |
| Significant items | (2,059,120) | (5,831,897) | (65%) |
| Net loss attributable to shareholders | (3,612,724) | (9,696,900) | (63%) |
| | | | |
| **Summary of significant items** | | | |
| *From continuing operations* | | | |
| Equity settled share-based payments | - | (53,849) | (100%) |
| Gain / (loss) on disposal of property, plant and equipment | 31,387 | (2,931,870) | (101%) |
| Project/transaction expenses | (912,825) | (90,161) | 912% |
| Legal fees | - | (140,337) | (100%) |
| Impairment of available-for-sale assets | (2,442,604) | - | (100%) |
| | **(3,324,042)** | **(3,216,217)** | **3%** |
| *From discontinued operations* | | | |
| Loss on disposal of property, plant and equipment | - | (2,559,340) | (100%) |
| Gain on sale of Austco Polar business | 1,322,817 | - | 100% |
| Project/transaction expenses | (57,895) | (56,340) | 3% |
| | **1,264,922** | **(2,615,680)** | **(148%)** |
| **Total** | **(2,059,120)** | **(5,831,897)** | **(65%)** |

The Consolidated Entity’s total revenues from continuing operations decreased by 14% to $33,756,155 (FY22: $39,346,244). This was driven mainly by the unprecedented floods impacting the 2023 season harvest. The shortage of good quality hay supply lead to a 15% reduction in sales volumes ending the financial year on 82,308 MT (FY22: 96,581 MT).

Gross profit ended the year on $14,703,872 (FY22: $16,071,803) representing a decrease on prior comparative period of $1,367,931, or 9%.

The net loss attributable to the Consolidated Entity's shareholders of $3,612,724 (FY22: loss of $9,696,900) includes:

- A decrease of $1,006,501 in freight costs to $6,787,441 (FY22: $7,793,499) driven by reduced export sales volumes;
- A decrease in indirect employee costs by $124,569 to $2,985,007 (FY22: $3,109,576) resulting from reduced headcount;
- Foreign exchange losses of $713,728 (FY22: $1,389,863), an improvement of $676,135 due to better portfolio management and favourable movements in the US dollar;
- A $580,536 decrease in finance costs to $850,079 (FY22: $1,430,615) due to lower levels of working capital financing required, as well as reduced borrowing costs as a result of better facility management; and
- A reduction in significant items from $5,831,897 to $2,059,120.

FY23 reported results include significant items of $2,059,120 (FY22: $5,831,897) comprised mainly of $970,720 of project/transaction costs pertaining to (i) sale of Austco Polar business; (ii) transactions with Balco Australia including the sale of the Raywood facility; and (iii) restructure costs, in addition to $2,442,604 impairment charge relating to available-for-sale assets (Raywood facility). This was offset partially by $1,322,817 gain on sale of the Austco Polar business.

**Operational performance**

| 31 March 2023 | Fodder JC Tanloden | Corporate | Total continuing business | Service Austco Polar[2] | Total |
|---|---|---|---|---|---|
| Revenue | $33,756,155 | - | **$33,756,155** | $6,139,078 | **$39,895,233** |
| Gross profit | $14,703,872 | - | **$14,703,872** | $2,102,970 | **$16,806,842** |
| EBITDA before significant items | $3,197,583 | ($1,548,595) | **$1,648,988** | $477,823 | **$2,126,811** |
| EBIT before significant items | $1,940,096 | ($1,581,597) | **$358,499** | ($359,373) | **($874)** |

| 31 March 2022 | Fodder JC Tanloden | Corporate | Total continuing business | Service Austco Polar | Total |
|---|---|---|---|---|---|
| Revenue | $39,346,244 | - | **$39,346,244** | $10,717,974 | **$50,064,218** |
| Gross profit | $16,071,803 | - | **$16,071,803** | $3,724,889 | **$19,796,692** |
| EBITDA before significant items | $3,957,401 | ($2,236,139) | **$1,721,262** | $502,563 | **$2,223,825** |
| EBIT before significant items | $2,624,292 | ($2,296,238) | **$328,054** | ($1,336,387) | **($1,008,333)** |

**JC Tanloden**

*Operating metrics*

| | 31 March 2023 | 31 March 2022 | Change |
|---|---|---|---|
| Sales volumes (tonnes) | 82,308 | 96,581 | (15%) |
| Revenue per tonne | $410 | $407 | 1% |
| EBITDA before significant items per tonne | $39 | $41 | (5%) |
| EBIT before significant items per tonne | $24 | $27 | (11%) |

Revenue per tonne is up by 1% when compared to pcp ending FY23 on $410 (FY22: $407) driven by strong market demand particularly in China, as well as the strengthening US dollar.

EBITDA before significant items for FY23 was $3,197,583 (FY22: $3,957,401), down $759,819 due predominantly to lower sales volumes.

**Austco Polar Cold Storage**

*Operating metrics*

| | 31 March 2023 | 31 March 2022 | Change |
|---|---|---|---|
| Blast volumes (cartons) | 955,274 | 1,790,569 | (47%) |
| Revenue per tonne | $6.43 | $5.99 | 7% |
| EBITDA before significant items per tonne | $0.50 | $0.28 | 79% |
| EBIT before significant items per tonne | ($0.38) | ($0.75) | (49%) |

The Austco Polar business was sold on 7 October 2022 for approximately $1,000,000 plus working capital adjustments resulting in a gain on sale of $1,322,817 recorded in FY23. Results for FY23 reflect approximately 6 months of operations (FY22: 12 months).

2 *Represents period 1 April 2022 to divestment on 7 October 2022*

**Financial position metrics**

| | 31 March 2023 $ | 31 March 2022 $ | Change |
|---|---|---|---|
| Cash | 1,146,341 | 1,513,670 | (24%) |
| Working capital | (1,252,838) | (1,647,973) | (24%) |
| Property, plant and equipment | 809,479 | 13,480,711 | (94%) |
| Right-of-use assets | 924,068 | 4,042,997 | (77%) |
| Intangibles | - | 1,816,075 | (100%) |
| Assets classified as held for sale | 14,414,341 | 20,813,038 | (31%) |
| Other non-current assets | 8,155 | 20,585 | (60%) |
| **Total assets and working capital** | **16,049,546** | **40,039,103** | **(60%)** |
| Lease liabilities | (1,891,233) | (2,775,490) | (32%) |
| Borrowings | (8,045,692) | (5,766,000) | 40% |
| Liabilities classified as held for sale | (74,893) | (21,847,161) | (100%) |
| **Total liabilities** | **(10,011,818)** | **(30,388,651)** | **(67%)** |
| **Net assets** | **6,037,728** | **9,650,452** | **(37%)** |

| **Net debt metrics[3] ($'000)** | | | |
|---|---|---|---|
| Borrowings[4] | 9,350,261 | 7,911,613 | 18% |
| Cash | (1,146,341) | (1,627,547) | (30%) |
| **Net Debt** | **8,203,921** | **6,284,066** | **31%** |
| Net assets | 6,037,728 | 9,650,452 | (37%) |
| Net debt to net assets ratio | 136% | 65% | (71pp) |

Assets and liabilities held for sale are represented by:

- As at 31 March 2023 – the asset and liabilities held in relation to the Raywood Facility sale to Balco Australia.
- As at 31 March 2022 – the assets and liabilities held in relation to the Austco Polar sale.

Other balances therefore reflect the JC Tanloden (single site) and Corporate business units on a go-forward basis only (continuing operations).

Cash balance has decreased by 24% from prior year ending the year on $1,146,341 (FY22: $1,513,670).

The net increase in total borrowings (excluding AASB 16 lease liabilities) of $1,438,648 (or 18%), as well as funds received from the sale of Austco Polar of $1,207,789 were used to fund inventory purchases, M&A transaction activity and the unwinding of working capital upon sale of the Austco Polar business.

[3] *Includes operations held for sale*
[4] *Excludes AASB16 lease liabilities but includes lease liabilities owed to financial institutions*

**Cash flow metrics**

| | 31 March 2023 $ | 31 March 2022 $ | Change |
|---|---|---|---|
| EBITDA before significant items | 1,648,988 | 1,721,262 | (4%) |
| Cash outflow from significant items | (970,720) | (286,837) | 238% |
| Working capital movements | (225,230) | 1,559,859 | (114%) |
| Cash flow from discontinued operations | (913,706) | 869,682 | (205%) |
| **Gross operating cash flow** | **(460,668)** | **3,863,966** | **(112%)** |
| Finance costs and tax refunds / (payments) | (716,280) | (1,256,017) | (43%) |
| **Net operating cash flow** | **(1,176,948)** | **2,606,949** | **(145%)** |
| Capital expenditure payments, net of proceeds received | (630,009) | (1,905,331) | (67%) |
| Settlement of lease obligations | (2,144,527) | (3,326,196) | (36%) |
| **Free cash flow** | **(3,951,484)** | **(2,623,578)** | **51%** |
| **Cash conversion[5]** | **(71%)** | **152%** | |

Net operating cash outflow for FY23 ended the year on $1,176,948 (FY22: net inflow of $2,606,949). The 145% decrease was due predominantly to (i) higher transaction costs with increased M&A activity; and (ii) the unwinding of working capital upon sale of the Austco Polar business; offset partially by reduced spend on finance related costs.

Free cash outflow increased from last year by $1,327,906 ending FY23 with a net outflow of $3,951,484 (FY22: net outflow of $2,623,578). The unfavourable net operating cash flow result was partially offset by a $1,275,322 (or 67%) reduction in capital spend as the business prepared to sell the Austco Polar business and the Raywood facility, and a $1,181,669 (or 36%) reduction in lease payments due predominantly to the release of the Laverton lease for the Austco Polar business on 7 October 2022.

**Outlook**

The sale of the Austco Polar business and the Raywood facility has allowed the consolidated entity to reset. FY24 will see JC Tanloden operate from a single, more efficient site, with the following objectives:

- Further right-size cost base for a single site.
- Improve safety performance by focusing on people, plant and processes.
- Improve machine reliability through renewed efficient and robust processes and a more strategic approach to preventative maintenance.
- Engage with growers to ensure we have contracted sufficient quantities of high-quality hay in the 2024 hay season.
- Strengthen customer relationships by creating a reliable and transparent offering.
- Continue to look for strategic organic and inorganic growth opportunities to maximise shareholder value.

**Risks and uncertainties**

The Company is subject to general risks as well as risks that are specific to the Company and the Company's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Company's business, however, this is not a complete list of all risks which the Company is or may be subject to.

*General economic risks*

The Company is subject to general risks as well as risks that are specific to the Company and the Company's business activities. Economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's procurement, production and export activities, as well as its ability to fund those activities.

5 *Calculated as net operating cash flow / EBITDA*

*Climate and weather risks*
There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- Excessive rain and flood events, such as those experienced this financial year, could have substantial impact on the Company. Flood damage hay may not meet export quality and therefore may have substantial impact on the Company's revenue and profitability.
- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on the industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

*Reliance on key personnel*
The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of those services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

*Dependence on service providers and third-party collaborators*
The Company is inherently exposed to the risk that any of its service providers and third-party collaborators can experience problems related to operations, financial strength or other issues, and collaborative agreements may be terminable by the Company's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Company's financial condition and results of operations.

*Government Policy Changes*
Adverse changes in government policies or legislation may affect taxation, royalties, land access, labour relations, and export activities (licensing) of the Company. It is possible that certain export licenses may change, resulting in the Company losing access to certain export markets. This would have an adverse impact on the financial condition and results of operations.

*Market conditions*
Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

*Commodity price volatility and exchange rate risks*
Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include international export markets, demand for dairy products, domestic hay supply within those export markets, domestic hay quality, and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, as determined in international markets.

*Litigation*
The Company is not currently involved in any litigation. However, the Company may in the ordinary course of business become involved in litigation and disputes, for example with its contractors or employees over a broad range of matters. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors or other stakeholders. Any such outcomes may have an adverse impact on the Company's business, market reputation and financial condition and financial performance.

*IT system failure and cyber security risks*
Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Company is committed to preventing and reducing cyber security risks through outsourced the IT management to a reputable services provider.

**Significant changes in the state of affairs**

On 1 April 2022, Mr Marcello Diamante was appointed to the Board of Directors as a Non-Executive Director.

On 17 June 2022, the Consolidated Entity announced that 439,794 performance rights over fully paid ordinary shares lapsed, due to the conditions being incapable of being satisfied.

On 22 June 2022, the Consolidated Entity announced the execution of an agreement with AP Cold Storage Pty Ltd (ACN 659 638 678) and Sui Garden Pty Ltd (ACN 653 848 376) (together "AP Cold Storage" or "Purchasers"), for the disposal of Austco Polar Cold Storage Pty Ltd ("APCS") for approximately $1.45 million (the Transaction). Under the Transaction, the Purchasers will acquire APCS and assume responsibility for the lease of the APCS site from the landlord, Mapletree Investments Pty Ltd.

As detailed in note 9, the Consolidated Entity announced that the completion date for the Transaction was 7 October 2022 for revised cash consideration of $1.0 million, subject to a working capital adjustment, resulting in an expected gain on disposal of APCS of approximately $1.3 million in FY23.

On 7 November 2022, Mr James Whiteside tendered his resignation as Chief Executive Officer of the Consolidated Entity. Effective 11 November 2022, Mr Marcello Diamante was appointed as Managing Director and Chief Executive Officer on an interim basis.

On 23 December 2022, 750,000 unquoted options were cancelled by agreement between the entity and the holder.

On 20 February 2023, the Consolidated Entity announced it entered into binding, conditional sale agreements with Balco Australia Pty Ltd for the sale of its 100% owned Raywood Hay Processing Facility ("Raywood Facility) for A$15.0 million in cash, plus working capital adjustments.

On 6 March 2023, the Consolidated Entity cancelled 2,487,111 Performance Rights by agreement under the Employee Share Scheme due to vesting conditions being incapable of being satisfied.

Other than disclosed elsewhere in the Directors' Report and the Consolidated Entity's financial statements and notes thereto, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

**Matters subsequent to the end of the financial year**
On 3 April 2023, the Consolidated Entity appointed Mr Marcello Diamante as Chief Executive Officer and Managing Director (previously on an interim basis).

On 14 April 2023, the Consolidated Entity announced it had met all conditions precedent to the agreements entered into with Balco Australia Pty Ltd for the sale of its Raywood Facility. As detailed in note 10, the Consolidated Entity completed the Transaction on 14 April 2023 for a cash consideration of $14.3 million (less working capital adjustments of $0.7 million) plus $0.7 million paid into escrow to be received 6 months after completion. Upon settlement, a Special Dividend was declared by the Company of $0.006 per share for a total payment of $1.1 million made on 5 May 2023. In addition, on 14 April 2023 the Company repaid in full all its financial and non-financial institutional debt of $8.0 million.

No other matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Likely developments and expected results of operations**
There are no likely developments or details on the expected results of operations that the Consolidated Entity has not disclosed.

**Environmental regulation**
The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

| **Name:** | **Mr David Christie** |
|---|---|
| Title: | Non-Executive Chairman |
| Qualifications: | GAICD, BA, LLB, LLM |
| Experience and expertise: | Mr David Christie is a Co-Founder and COO of Wilson A.I. – a specialist Artificial Intelligence (AI) company developing and applying AI solutions for multiple industries. He is also a Co-founder of Amplifir Pty Ltd a Digital Marketing Agency.<br><br>David is also a Non-Executive Director, Chair of the Remuneration & Nominations Committee and a member of the Audit & Risk Committee, of Kleos Space S.A. (ASX:KSS), a satellite company based out of Luxembourg and is a Non-Executive Director at Litigation Lending Services. He is also Chair of the Remuneration Committee for Litigation Lending Services Limited.<br><br>Over the past 20 years David has served as a senior executive in London, Russia and New York at Renaissance Capital Bank, Deutsche Bank and Simmons & Simmons Lawyers; and in Australia at Minter Ellison Lawyers, iSelect Ltd. (ASX:ISU) and Prezzee, where he held the roles of Chief Strategy Officer, General Counsel and Company Secretary with responsibility over Legal affairs, Compliance, Governance, Human Resources, IT, Investor Relations, Public Relations and Litigation/ Disputes. |
| Other current directorships[6]: | Kleos Space S.A. (ASX:KSS), Litigation Lending Services Limited |
| Former directorships (last 3 years)[7]: | None |
| Special responsibilities: | Member of the Audit and Risk Committee and Chair of the Remuneration and Nomination Committee |
| Interests in shares: | 729,866 ordinary shares |
| Interests in options: | 149,174 unlisted options |

[6] *'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.*

[7] *'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.*

| | |
|---|---|
| **Name:** | **Mr Brendan York** |
| Title: | Non-Executive Director |
| Qualifications: | Mr York holds a Bachelor of Business Administration and Commerce (Accounting) and is a member of the institute of Chartered Accountants Australia & New Zealand. |
| Experience and expertise: | Mr York brings significant ASX-listed experience in financial and risk management, governance, mergers and acquisitions, and investor relations. He was Chief Financial Officer and Company Secretary of Enero Group Limited, where he was responsible for the finance function of the global marketing services group with operations across 7 countries and 13 cities worldwide.<br><br>Mr York is a Portfolio Manager at NAOS Asset Management Limited. He is also a Non-Executive Director and member of the Audit and Risk Committee of Big River Industries Limited, a Non-Executive Director and Chair of the Audit and Risk Committee of BSA Limited and a Non-Executive Director at BTC Health Ltd. |
| Other current directorships[5]: | Big River Industries Limited (ASX: BRI), BSA Limited (ASX: BSA), BTC Health Ltd (ASX:BTC) and Mitchcap Pty Ltd |
| Former directorships (last 3 years)[6]: | None |
| Special responsibilities: | Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee |
| Interests in shares: | None |
| Interests in options: | None |

| | |
|---|---|
| **Name:** | **Mr Marcello Diamante** |
| Title: | Managing Director and Chief Executive Director (appointed 3 April 2023) |
| Qualifications: | Mr Diamante holds a Bachelor Degree in Economics and Finance from RMIT and is a Chartered Financial Analyst with the CFA Institute. |
| Experience and expertise: | Mr Diamante brings over 25 years' experience in Finance, Mergers & Acquisitions, Project Development & Digital Transformation. Over the years, Mr Diamante has successfully consulted and built a range of businesses, with a particular focus on growth and expansion including greenfield and brownfield developments in Energy and Agriculture. He was Chief Financial Officer of WNR from its listing in February 2016 to November 2018, led the construction of WNR's Raywood processing facility and has a strong understanding of operations and the opportunities for the Company. |
| Other current directorships[5]: | None |
| Former directorships (last 3 years)[6]: | None |
| Special responsibilities: | None |
| Interests in shares: | 2,807,428 |
| Interests in options: | None |

**Company secretary**
*Ms Natalie Climo*

Ms Climo has 12 years-experience working in the corporate sector. Previously she was an in-house lawyer for a global oil and gas company, and more recently as a company secretary for a portfolio of ASX listed, unlisted Australian and foreign companies. Admitted as a lawyer to the Supreme Court of Queensland, Ms Climo has extensive experience in company secretarial and governance management of ASX listed and unlisted companies and has a comprehensive understanding of the ASX listing rules, the ASIC regulatory environment and the Australian Corporations Law. Ms Climo holds a Graduate Diploma in Legal Practice and a Bachelor of Laws.

**Meetings of directors**
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2023, and the number of meetings attended by each director were:

| | Full Board | | Audit Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|
| | Attended | Held | Attended | Held | Attended | Held |
| David Christie | 19 | 20 | 2 | 2 | 2 | 2 |
| Steven Chaur[8] | - | - | - | - | - | - |
| Brendan York | 20 | 20 | 2 | 2 | 2 | 2 |
| Marcello Diamante[9] | 20 | 20 | 2 | 2 | 2 | 2 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Remuneration report (audited)**
The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***
The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

[8] *Mr Steven Chaur resigned as Non-Executive Director ono 1 April 2022.*
[9] *Mr Marcello Diamante was appointed as Non-Executive Director on 1 April 2022, Executive Director and Interim- Chief Executive Officer on 11 November 2022 and Managing Director and Chief Executive Officer on 3 April 2023. On 11 November 2022, Mr Marcello Diamante resigned as Chairperson of the Remuneration Committee.*

*Non-executive directors remuneration*
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Any share based payments to Non-executive directors are based on the discretion of the Company.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was when the Company listed in December 2015, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

*Executive remuneration*
The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

*Consolidated entity performance and link to remuneration*
The remuneration of Non-Executive Directors consists of an un-risked element (base pay) which is not linked to the performance of the Company in the current or previous reporting periods and share-based payments, which are awarded at the discretion of the Company. Executives are remunerated through a mix of un-risked remuneration (base pay) and a risked element through performance rights issued under the company's employee Share Scheme which is linked to the performance of the Company.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

*Voting and comments made at the Company's 31 August 2022 Annual General Meeting ('AGM')*
At the 31 August 2022 AGM, 98.84% of the votes received supported the adoption of the remuneration report for the year ended 31 March 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

***Details of remuneration***
*Amounts of remuneration*
Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Wingara AG Limited:
- Mr David Christie – Non-Executive Chairman
- Mr Steven Chaur – Non-Executive Director (resigned 1 April 2022)
- Mr Brendan York – Non-Executive Director (appointed 23 September 2021)
- Mr Marcello Diamante – Non-Executive Director (appointed 1 April 2022, resigned 10 November 2022), Executive Director and Interim-Chief Executive Officer (appointed 11 November, resigned 2 April 2023), Managing Director and Chief Executive Officer (appointed 4 April 2023)

And the following member of key management personnel:
- Mr James Whiteside – Chief Executive Officer (resigned 10 November 2022)
- Mr Jae Tan – Chief Financial Officer
- Mr Zane Banson – Chief Commercial Officer (resigned 25 February 2023)

| 31 March 2023 | Short-term benefits: Cash salary And fees $ | Short-term benefits: Short term incentives[10] $ | Short-term benefits: Movement in leave Provision $ | Post-employment benefits: Super-annuation $ | Vesting share-based payments: Equity-settled $ | Total $ |
|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | |
| David Christie | 90,609 | - | - | 9,391 | - | 100,000 |
| Steven Chaur[11] | 1,923 | - | - | 192 | - | 2,115 |
| Brendan York | 54,825 | - | - | 175 | - | 55,000 |
| *Executive Directors:* | | | | | | |
| Marcello Diamante[12] | 48,104 | - | - | 4,992 | - | 53,096 |
| *Other Key Management Personnel:* | | | | | | |
| James Whiteside[13] | 284,379 | - | (8,455) | 29,456 | - | 305,380 |
| Jae Tan[14] | 220,000 | 20,000 | 8,865 | 24,904 | - | 273,769 |
| Zane Banson[15] | 226,153 | - | (17,214) | 23,423 | - | 232,362 |
| | **925,993** | **20,000** | **(16,804)** | **92,533** | **-** | **1,021,722** |

| 31 March 2022 | Short-term benefits: Cash salary and fees $ | Short-term benefits: Short term Incentives $ | Short-term benefits: Movement in leave Provision $ | Post-employment benefits: Super-annuation $ | Vesting share-based payments: Equity-settled $ | Total $ |
|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | |
| David Christie | 125,673 | - | - | 12,386 | 40,000 | 178,059 |
| Jeral D'Souza[16] | 29,869 | - | - | 2,919 | - | 32,788 |
| Steven Chaur | 50,009 | - | - | 4,934 | - | 54,943 |
| Brendan York | 21,154 | - | - | 2,115 | - | 23,269 |
| Marcello Diamante | - | - | - | - | - | - |
| *Other Key Management Personnel:* | | | | | | |
| James Whiteside | 215,769 | - | 7,183 | 21,577 | - | 244,529 |
| Jae Tan | 148,077 | - | 4,719 | 14,808 | 20,000 | 187,604 |
| Zane Banson | 242,808 | - | 4,273 | 23,944 | - | 271,025 |
| | **833,359** | **-** | **16,175** | **82,683** | **60,000** | **992,217** |

[10] *As part of the completion of the Raywood facility transaction, Mr Marcello Diamante and Mr Jae Tan received a bonus payment, inclusive of super, of $100,000 and $37,670, respectively. This will be reflected in the Remuneration Report for the year ended 31 March 2024.*

[11] *Mr Steven Chaur resigned as Non-Executive Director on 1 April 2022*

[12] *Mr Marcello Diamante was appointed as Managing Director and Chief Executive Officer on 11 November 2022. Prior to 10 November 2022 he held the positions of Non-Executive Director and Interim-Managing Director and Chief Executive Officer.*

[13] *Mr James Whiteside resigned as Chief Executive Officer on 10 November 2022. He received payment in lieu of 4 months in accordance with his employment contract.*

[14] *A $20,000 bonus was issued to Jae Tan on the completion of the Austco Polar divestment on 7 October 2022.*

[15] *Mr Zane Banson resigned as Chief Commercial Officer on 25 February 2023.*

[16] *Mr Jeral D'Souza resigned as Non-Executive Director on 21 October 2021.*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| | Fixed remuneration | | At risk – STI | | At risk – LTI | |
|---|---|---|---|---|---|---|
| Name | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| *Non-Executive Directors:* | | | | | | |
| David Christie | 100% | 100% | - | - | - | - |
| Jeral D'Souza | 100% | 100% | - | - | - | - |
| Steven Chaur | 100% | 100% | - | - | - | - |
| Brendan York | 100% | 100% | | | | |
| Marcello Diamante | 100% | - | - | - | - | - |
| *Other Key Management Personnel:* | | | | | | |
| James Whiteside | 100% | 100% | - | - | - | - |
| Jae Tan | 92% | 100% | 8% | - | - | - |
| Zane Banson | 100% | 100% | - | - | - | - |

***Service agreements***

Remuneration and other terms of employment for key management personnel are formalised in service agreements. These service agreements are indefinite term employment contracts. Details of these agreements are as follows:

| | |
|---|---|
| Name: | David Christie |
| Title: | Non-Executive Chairman |
| Agreement commenced: | 9 June 2020 |
| Term of agreement: | Open until a written notice of resignation is communicated by the Director |
| Details: | $100,000 in Director fees inclusive of superannuation |

| | |
|---|---|
| Name: | Brendan York |
| Title: | Non-Executive Director |
| Agreement commenced: | 23 September 2021 |
| Term of agreement: | Open until a written notice of resignation is communicated by the Director |
| Details: | $55,000 in Director Fees inclusive of superannuation |

| | |
|---|---|
| Name: | Marcello Diamante |
| Title: | Managing Director and Chief Executive Officer |
| Agreement commenced: | 3 April 2023 |
| Term of agreement: | 4 months of notice by either company or employee |
| Details: | $55,000 in Director Fees inclusive of superannuation to 3 April 2023. $300,000 plus superannuation from 4 April 2023. |

| | |
|---|---|
| Name: | James Whiteside (resigned 10 November 2022) |
| Title: | Chief Executive Officer |
| Agreement commenced: | 1 July 2021 |
| Term of agreement: | 4 months of notice by either company or employee |
| Details: | $300,000 plus superannuation |

| | |
|---|---|
| Name: | Jae Tan |
| Title: | Chief Financial Officer |
| Agreement commenced: | 19 July 2021 |
| Term of agreement: | 3 months of notice by either company or employee |
| Details: | $220,000 plus superannuation |

| | |
|---|---|
| Name: | Zane Banson (resigned 25 February 2023) |
| Title: | Chief Commercial Officer |
| Agreement commenced: | 8 June 2018 |
| Term of agreement: | 3 months of notice by either company or employee |
| Details: | $240,000 plus superannuation |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

***Share-based compensation***

*Issue of shares*
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 March 2023.

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 March 2022 are set out below:

| Name | Date | Shares | Issue price |
|---|---|---|---|
| David Christie | 21 September 2021 | 367,587 | $0.109 |
| Jae Tan | 21 September 2021 | 161,503 | $0.124 |

These share issues are part of contractual arrangements with the Company and where required, approved by shareholders at the most recent AGM.

*Performance rights*
There were no performance rights issued to directors and other key management personnel as part of compensation during the year ended 31 March 2023.

The terms and conditions of each grant of performance right over ordinary shares affecting remuneration of directors and other key management personnel during the financial year 31 March 2022 or future reporting years are as follows:

| Name | Number of rights granted | Grant date | Vesting date and exercisable date | Expiry date | EPS hurdle for vesting | Fair value per right at grant date |
|---|---|---|---|---|---|---|
| *Other Key Management Personnel:* | | | | | | |
| James Whiteside | 1,516,531 | 1 December 2021 | 31 May 2024 | 31 May 2024 | $0.008 | $0.099 |
| Zane Banson | 970,580 | 1 December 2021 | 31 May 2024 | 31 May 2024 | $0.008 | $0.099 |
| Jae Tan | 889,698 | 1 December 2021 | 31 May 2024 | 31 May 2024 | $0.008 | $0.099 |

For any of the Rights to vest, the employees must remain continuously employed by the Company until 31 May 2024. The number of Rights that will vest will be based on the Consolidated Entity's Basic Earnings per Share (EPS) achieved for the Financial Year F24 (1 April 2023 to 31 March 2024) is:

| Earnings per Share achieved for the Financial Year 2024 | % of Rights to vest |
|---|---|
| Less than 0.8 cps | 0% |
| Between 0.8 cps and 1.0 cps | Pro-rata on a straight line basis |
| Greater than 1.0 cps | 100% |

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 March 2022 are set out below:

| Name | Number of rights granted during the year 31 March 2023 | Number of rights granted during the year 31 March 2022 | Number of rights vested during the year 31 March 2023 | Number of rights vested during the year 31 March 2022 |
|---|---|---|---|---|
| *Other Key Management Personnel:* | | | | |
| James Whiteside | - | 1,516,531 | - | - |
| Zane Banson | - | 970,580 | - | - |
| Jae Tan | - | 889,698 | - | - |

During the financial year 2023, no share-based payment charge was recognised in the statement of profit or loss and comprehensive income for these performance rights as they were not assessed as probable to vest (2022: $nil).

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 March 2023. (31 March 2022: $nil).

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 March 2023 (31 March 2022: $nil).

***Additional information***
The earnings of the Consolidated Entity for the five years to 31 March 2023 are summarised below:

| | 31 March 2023 $ | 31 March 2022 $ | 31 March 2021 $ | 31 March 2020 $ | 31 March 2019 $ |
|---|---|---|---|---|---|
| Net profit/(loss) after income tax | (3,612,724) | (9,696,900) | (6,232,809) | 787,012 | 906,131 |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 31 March 2023 | 31 March 2022 | 31 March 2021 | 31 March 2020 | 31 March 2019 |
|---|---|---|---|---|---|
| Share price at financial year end ($) | 0.06 | 0.06 | 0.12 | 0.26 | 0.26 |

***Additional disclosures relating to key management personnel***
*Shareholding*
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Additions | Disposals[17] | Balance at the end of the year |
|---|---|---|---|---|---|
| *Ordinary shares* | | | | | |
| David Christie | 729,866 | - | - | - | 729,866 |
| Marcello Diamante | 2,807,428 | - | - | - | 2,807,428 |
| Brendan York | - | - | - | - | - |
| James Whiteside | 227,272 | - | - | (227,272) | - |
| Zane Banson | 444,500 | - | - | (444,500) | - |
| Jae Tan | 161,503 | - | - | - | 161,503 |
| | **4,370,569** | **-** | **-** | **(671,772)** | **3,698,797** |

[17] *Represents holdings at last date of employment.*

*Option holding*
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other[18] | Balance at the end of the year |
|---|---|---|---|---|---|
| *Options over ordinary shares* | | | | | |
| David Christie | 149,174 | - | - | - | 149,174 |
| James Whiteside | 227,272 | - | - | (227,272) | - |
| Zane Banson | 500,000 | - | - | (500,000) | - |
| | **876,446** | **-** | **-** | **(727,272)** | **149,174** |

*Performance rights holding*
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Rights granted as part of remuneration | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Performance rights over ordinary shares* | | | | | |
| James Whiteside | 1,516,531 | - | - | (1,516,521) | - |
| Zane Banson | 970,580 | - | - | (970,580) | - |
| Jae Tan | 889,698 | - | - | - | 889,698 |
| | **3,376,809** | **-** | **-** | **(2,487,101)** | **889,698** |

*This concludes the remuneration report, which has been audited.*

**Shares under option**
Unissued ordinary shares of Wingara AG Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|---|---|---|---|
| 6 September 2021 | 31 December 2023 | $0.170 | 2,045,454 |
| 23 September 2021 | 31 December 2023 | $0.170 | 39,549,324 |
| 4 November 2021 | 31 December 2023 | $0.170 | 227,272 |
| | | | **41,822,050** |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares under performance rights**
Unissued ordinary shares of Wingara AG Limited under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|---|---|---|---|
| 1 December 2021 | 31 May 2024 | $0.000 | 889,698 |
| | | | **889,698** |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

[18] *For James Whiteside this represents the number of options held on last day of employment.*

**Shares issued on the exercise of options**
There were no ordinary shares of Wingara AG Limited issued on the exercise of options during the year ended 31 March 2023 and up to the date of this report.

**Shares issued on the exercise of performance rights**
There were no ordinary shares of Wingara AG Limited issued on the exercise of performance rights during the year ended 31 March 2023 and up to the date of this report.

**Indemnity and insurance of officers**
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**Officers of the Company who are former partners of William Buck**
There are no officers of the Company who are former partners of William Buck.

**Auditor's independence declaration**
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**
William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr David Christie
Non-Executive Chairman

31 May 2023

WilliamBuck
ACCOUNTANTS & ADVISORS

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WINGARA AG LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 31 March 2023 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN 59 116 151 136

**A. A. Finnis**
Director
Melbourne, 31 May 2023

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com
williambuck.com.au

**Wingara AG Limited**
**Consolidated statement of profit or loss and other comprehensive income**
**For the year ended 31 March 2023**

| | Note | Consolidated 31 March 2023 $ | 31 March 2022 $ |
|---|---|---|---|
| **Revenue** | | | |
| Revenue | 5 | 33,756,155 | 39,346,244 |
| Cost of sales | | (19,052,282) | (23,274,441) |
| **Gross profit** | | **14,703,873** | **16,071,803** |
| Other income | 6 | 161,117 | 62,619 |
| **Expenses** | | | |
| Corporate, administration and operating expenses | | (3,611,264) | (2,343,957) |
| Freight expenses | | (6,787,441) | (7,793,942) |
| Employee expenses | | (2,985,007) | (3,109,576) |
| Foreign exchange losses | | (713,728) | (1,389,863) |
| Impairment of receivables | | - | (6,320) |
| Share based payments | | - | (53,849) |
| Loss on disposal of property, plant and equipment | 13 | - | (2,931,870) |
| Impairment of available for sale assets | 10 | (2,442,604) | - |
| Depreciation | | (1,290,489) | (1,393,208) |
| Finance costs | 7 | (850,079) | (1,430,615) |
| **Loss before income tax benefit/(expense) from continuing operations** | | **(3,815,622)** | **(4,318,778)** |
| Income tax benefit/(expense) | 8 | 505,329 | (1,381,587) |
| **Loss after income tax benefit/(expense) from continuing operations** | | **(3,310,293)** | **(5,700,365)** |
| Loss after income tax expense from discontinued operations | 9a | (302,431) | (3,996,535) |
| **Loss after income tax benefit/(expense) for the year attributable to the owners of Wingara AG Limited** | | **(3,612,724)** | **(9,696,900)** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive loss for the year attributable to the owners of Wingara AG Limited** | | **(3,612,724)** | **(9,696,900)** |
| Total comprehensive loss for the year is attributable to: | | | |
| Continuing operations | | (3,310,293) | (5,700,365) |
| Discontinued operations | | (302,431) | (3,996,535) |
| | | **(3,612,724)** | **(9,696,900)** |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

| | | Consolidated | |
|---|---|---|---|
| | **Note** | **31 March 2023 Cents** | **31 March 2022 Cents** |
| **Loss per share for loss from continuing operations attributable to the owners of Wingara AG Limited** | | | |
| Basic loss per share | 31 | (1.89) | (3.68) |
| Diluted loss per share | 31 | (1.89) | (3.68) |
| **Loss per share for loss from discontinued operations attributable to the owners of Wingara AG Limited** | | | |
| Basic loss per share | 31 | (0.17) | (2.58) |
| Diluted loss per share | 31 | (0.17) | (2.58) |
| **Loss per share for loss attributable to the owners of Wingara AG Limited** | | | |
| Basic loss per share | 31 | (2.06) | (6.26) |
| Diluted loss per share | 31 | (2.06) | (6.26) |

**Wingara AG Limited**
**Consolidated statement of financial position**
**As at 31 March 2023**

| | Note | Consolidated 31 March 2023 $ | Consolidated 31 March 2022 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 1,146,341 | 1,513,670 |
| Trade and other receivables | 11 | 1,429,122 | 2,796,432 |
| Inventories | | 489,047 | 1,681,614 |
| Other current assets | | 285,072 | 249,109 |
| | | **3,349,582** | **6,240,825** |
| Assets relating to Austco Polar classified as held for sale | 9b | - | 20,813,038 |
| Assets relating to Raywood facility classified as held for sale | 10 | 14,414,341 | - |
| **Total current assets** | | **17,763,923** | **27,053,863** |
| **Non-current assets** | | | |
| Property, plant and equipment | 13 | 809,479 | 13,480,711 |
| Right-of-use assets | 12 | 924,068 | 4,042,997 |
| Intangibles | 14 | - | 1,816,075 |
| Other non-current assets | | 8,155 | 20,585 |
| **Total non-current assets** | | **1,741,702** | **19,360,368** |
| **Total assets** | | **19,505,625** | **46,414,231** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 3,152,772 | 5,983,098 |
| Borrowings | 16 | 6,160,000 | 4,418,500 |
| Lease liabilities | 17 | 958,627 | 949,617 |
| Employee benefits | | 234,051 | 304,266 |
| | | **10,505,450** | **11,655,481** |
| Liabilities relating to Austco Polar classified as held for sale | 9b | - | 21,847,161 |
| Liabilities relating to Raywood facility classified as held for sale | 10 | 74,893 | - |
| **Total current liabilities** | | **10,580,343** | **33,502,642** |
| **Non-current liabilities** | | | |
| Borrowings | 16 | 1,885,692 | 1,347,500 |
| Lease liabilities | 17 | 932,606 | 1,825,873 |
| Employee benefits | | 69,256 | 87,764 |
| **Total non-current liabilities** | | **2,887,554** | **3,261,137** |
| **Total liabilities** | | **13,467,897** | **36,763,779** |
| **Net assets** | | **6,037,728** | **9,650,452** |
| **Equity** | | | |
| Issued capital | 18 | 29,570,874 | 29,570,874 |
| Share-based payment reserves | | - | 75,226 |
| Accumulated losses | | (23,533,146) | (19,995,648) |
| **Total equity** | | **6,037,728** | **9,650,452** |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Wingara AG Limited**
**Consolidated statement of changes in equity**
**For the year ended 31 March 2023**

| **Consolidated** | **Contributed equity $** | **Share-based payment reserves $** | **Accumulated losses $** | **Total equity $** |
|---|---|---|---|---|
| Balance at 1 April 2021 | 25,029,198 | 212,377 | (10,384,748) | 14,856,827 |
| Loss after income tax expense for the year | - | - | (9,696,900) | (9,696,900) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (9,696,900) | (9,696,900) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs (note 18) | 4,436,676 | - | - | 4,436,676 |
| Equity settled share-based payments to employees | 105,000 | - | - | 105,000 |
| Forfeiture and lapsed options | - | (137,151) | 86,000 | (51,151) |
| **Balance at 31 March 2022** | **29,570,874** | **75,226** | **(19,995,648)** | **9,650,452** |

| **Consolidated** | **Contributed equity $** | **Share-based payment reserves $** | **Accumulated losses $** | **Total equity $** |
|---|---|---|---|---|
| Balance at 1 April 2022 | 29,570,874 | 75,226 | (19,995,648) | 9,650,452 |
| Loss after income tax benefit for the year | - | - | (3,612,724) | (3,612,724) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (3,612,724) | (3,612,724) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Transfer from share-based payment reserve to accumulated losses | - | (75,226) | 75,226 | - |
| **Balance at 31 March 2023** | **29,570,874** | **-** | **(23,533,146)** | **6,037,728** |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Wingara AG Limited**
**Consolidated statement of cash flows**
**For the year ended 31 March 2023**

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| **Cashflows from operating activities** | | |
| Receipts from customers | 34,464,275 | 38,147,884 |
| Payments to suppliers and employees | (34,049,058) | (35,277,975) |
| Interest received | 700 | 22 |
| Interest and other finance costs paid | (679,159) | (1,230,658) |
| Income taxes paid | - | 42,655 |
| Net operating cash generated/(used in) by continuing operations | (263,242) | 1,681,928 |
| Net operating cash generated by/(used in) Austco Polar operations held for sale | (913,706) | 926,021 |
| **Net cash generated/(used in) by operating activities (note 30)** | **(1,176,948)** | **2,607,949** |
| **Cashflows from investing activities** | | |
| Payments for plant, equipment, and capital works in progress | (550,829) | (1,796,808) |
| Proceeds from sale of plant and equipment | 41,019 | 215,436 |
| Proceeds from release of security deposits | 12,489 | 117,101 |
| Net cash used in continuing operations' investing activities | (497,321) | (1,464,271) |
| Net cash (used in)/from Austco Polar operations held for sale's investing activities | 1,087,590 | (441,060) |
| **Net cash used in investing activities** | **590,269** | **(1,905,331)** |
| **Cashflows from financing activities** | | |
| Proceeds from issue of shares, net of transaction costs | - | 4,436,673 |
| Proceeds from borrowings | 10,495,003 | 5,065,133 |
| Repayment of borrowings | (9,076,285) | (8,643,000) |
| Settlement of lease obligations | (1,025,484) | (1,321,191) |
| Net cash from continuing operations' financing activities | 393,234 | (462,385) |
| Net cash from/(used in) Austco Polar operations held for sale's financing activities | (287,761) | (533,139) |
| **Net cash (used in)/from financing activities** | **105,473** | **(995,524)** |
| Net decrease in cash and cash equivalents | (481,206) | (292,906) |
| Cash and cash equivalents at the beginning of the financial year for continuing operations | 1,513,670 | 1,920,453 |
| Add: cash and cash equivalents included in Austco Polar assets held for sale at the beginning of the financial year | 113,877 | - |
| Less: cash and cash equivalents included in Austco Polar assets held for sale at the end of the financial year (note 9b) | - | (113,877) |
| **Cash and cash equivalents at the end of the financial year** | **1,146,341** | **1,513,670** |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. General information

The financial statements cover Wingara AG Limited as a Consolidated Entity consisting of Wingara AG Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

Wingara AG Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 1, 10 Oxley Road Hawthorn VIC Australia 3122.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 May 2023. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This financial report may also include certain non-IFRS measures including earnings before finance costs, tax and depreciation (EBITDA), earnings before finance costs and tax (EBIT) and net profit after tax (NPAT). These measures are used internally by management to assess the performance of the consolidated entity and segments, to make decisions on the allocation of resources and assess operational management.

### New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no impact to the financial report as a result of these changes.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern
During the year:
- the Consolidated Entity generated a loss after tax of $3,612,724 (31 March 2022: $9,696,900);
- had net operating cash outflows from operations of $1,176,948 (31 March 2022: net inflows of $2,607,949);
- had a deficiency in net current assets (excluding held for sale assets and liabilities) as at 31 March 2023 of $7,155,868; and
- had consolidated net assets of $6,037,728 (31 March 2022: $9,650,452)

The Consolidated financial statements have been prepared on a going concern basis which assumes the Group will continue its operations and be able to meet its obligations as and when they become due and payable. The assumption is based on an analysis of the Consolidated Entity's ability to meet its future cash requirements using its projected and best estimate cash flows for 12 months past the date of this report.

Key assumptions in this forecast include:
- The receipt of the $14.3 million of proceeds (less working capital adjustment of $0.7 million) from the completion of the sale of the Raywood facility on 14 April 2023;
- Full repayment of all financial and non-financial institutional debt in the amount of $9.2 million;
- The receipt of $0.7 million of proceeds relating to the release of escrowed funds from the sale of the Raywood facility six months after completion;
- The payment of a special dividend in the amount of $1.05 million on 5 May 2023;
- Necessary capital investment in the stand-along Epsom facility to ensure efficient processing;
- A significantly reduced cost base as the business down-sizes operations following completion of the Raywood facility.

The Board considered transformational events in the year ended 31 March 2023 which, subsequent to the reporting date, resulted in the repayment of all debt and holding a cash reserve for future operations. While the Consolidated Entity does not currently have any financing facilities and does not expect meaningful revenue for the first half of the financial year

**Note 2. Significant accounting policies (continued)**

ended 31 March 2024 until the 2023 hay season arrives, the Board believes that it has adequate capacity in cash reserves and the ability to obtain an inventory finance (or equivalent) facility to aid seasonal fluctuations in working capital requirements.

**Basis of preparation**
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*
The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**
In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 26.

**Principles of consolidation**
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wingara AG Limited ('Company' or 'parent entity') as at 31 March 2023 and the results of all subsidiaries for the year then ended. Wingara AG Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Foreign currency translation**
The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

*Foreign currency transactions*
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Note 2. Significant accounting policies (continued)**

**Revenue recognition**
The Consolidated Entity recognises revenue as follows:

*Revenue from contracts with customers*
Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the ‘expected value’ or ‘most likely amount’ method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Rendering of services*
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

*Interest*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*
Other revenue is recognised when it is received or when the right to receive payment is established.

**Cash and cash equivalents**
For the purpose of presentation in the statement of cash flows and statement of financial position, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**Taxes**

*Income tax expense*
Current income tax is calculated by applying the statutory tax rate to taxable income. Taxable income is calculated as the accounting profit adjusted for differences in income and expenses where the tax and accounting treatments differ. Deferred income tax, which is accounted for using the balance sheet method, arises because timing of recognition of accounting income is not always the same as taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised on the consolidated statement of financial position.

## Note 2. Significant accounting policies (continued)

Our income tax expense is the sum of current and deferred income tax expenses. Current income tax expense is calculated on accounting profit after adjusting for non-taxable and non-deductible items based on rules set by the tax authorities. Deferred income tax expense is calculated at the tax rates that are expected to apply to the period in which the deferred tax asset is realised or the deferred tax liability is settled. Both our current and deferred income tax expenses are calculated using tax rates that have been enacted or substantively enacted at reporting date. Our current and deferred taxes are recognised as an expense in profit or loss, except when they relate to items that are directly recognised in other comprehensive income or equity. In this case, our current and deferred tax expenses are also recognised directly in other comprehensive income or equity. We generally recognise deferred tax liabilities for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill; and
- The initial recognition of an asset or liability in a transaction that is not a business combination and affects neither our accounting profit nor our taxable income at the time of the transaction.

*Deferred taxes*
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised. Deferred tax assets and deferred tax liabilities are offset in the consolidated statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority. For our investments in controlled entities and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

No deferred tax assets or liabilities have been recognised as the directors have determined it is not probable at this stage that the benefit will flow to the Group.

Unrecognised deferred tax assets and liabilities are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered and deferred tax liabilities to be payable.

*Other taxes*
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority

*Australian income tax consolidation legislation*
Wingara AG Limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation as of 1 July 2016 The head entity, Wingara AG Limited and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

**Note 2. Significant accounting policies (continued)**

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Non-current assets or disposal groups classified as held for sale**
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**Provisions**
Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Employee benefits**

*Short-term employee benefits*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Note 2. Significant accounting policies (continued)**

**Impairment of non-financial assets**
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Finance costs**
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they occur and consist of interest and other costs that an entity incurs in connection with borrowing of funds, interest expense relating to ROU liabilities or costs associated in managing working capital.

**Inventories**
Inventories are stated at fair value. Fair value has been calculated with reference to the market price of hay.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*
The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined based on the 5 week VWAP taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Allowance for expected credit losses*
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Estimation of useful lives of assets*
The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Goodwill and other indefinite life intangible assets*
The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

## Note 3. Critical accounting judgements, estimates and assumptions (continued)

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*
The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Recovery of deferred tax assets*
Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

No deferred tax assets or liabilities have been recognised as the directors have determined it is not probable at this stage that the benefit will flow to the Group.

*Employee benefits provision*
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Note 4. Operating segments
The Consolidated Entity has one operating segment, acting as a product processor and marketer of agricultural products in Australia (Fodder Business).

The Fodder business operates and resides in Australia, being the only geographical segment and all of the Consolidated assets are held in Australia.

The segment note excludes discontinued operations of Austco Polar.

| **Consolidated - 31 March 2023** | **Fodder Business $** | **Corporate $** | **Total $** |
|---|---|---|---|
| **Revenue** | | | |
| Segment revenue | 33,756,155 | - | 33,756,155 |
| **Total revenue** | **33,756,155** | **-** | **33,756,155** |
| | | | |
| EBITDA before significant items | 3,197,583 | (1,548,595) | 1,648,988 |
| Significant items | (2,511,386) | (812,655) | (3,324,041) |
| **EBITDA** | **686,197** | **(2,361,250)** | **(1,675,053)** |
| Depreciation and amortisation | (1,257,487) | (33,003) | (1,290,490) |
| Finance costs | (815,990) | (34,089) | (850,079) |
| **Loss before income tax expense from continuing operations** | **(1,387,280)** | **(2,428,342)** | **(3,815,622)** |
| Income tax expense | (164,614) | 669,943 | 505,329 |
| **Loss after income tax expense from continuing operations** | **(1,551,894)** | **(1,758,399)** | **(3,310,293)** |
| | | | |
| **Assets** | | | |
| Segment assets | 16,618,892 | 8,575,723 | 25,194,615 |
| | | | |
| **Liabilities** | | | |
| Segment liabilities | 10,505,133 | 1,646,813 | 12,151,946 |

## Note 4. Operating segments (continued)

| Consolidated - 31 March 2022 | Fodder Business $ | Corporate $ | Total $ |
|---|---|---|---|
| **Revenue** | | | |
| Segment revenue | 39,346,244 | - | 39,346,244 |
| **Total revenue** | **39,346,244** | **-** | **39,346,244** |
| | | | |
| EBITDA before significant items | 3,957,400 | (2,236,138) | 1,721,262 |
| Significant items | (2,849,181) | (367,036) | (3,216,217) |
| **EBITDA** | **1,108,219** | **(2,603,174)** | **(1,494,955)** |
| Depreciation and amortisation | (1,333,108) | (60,100) | (1,393,208) |
| Finance costs | (1,412,756) | (17,859) | (1,430,615) |
| **Loss before income tax expense from continuing operations** | **(1,637,645)** | **(2,681,133)** | **(4,318,778)** |
| Income tax expense | 696,834 | (2,078,421) | (1,381,587) |
| **Loss after income tax expense from continuing operations** | **(940,811)** | **(4,759,554)** | **(5,700,365)** |
| | | | |
| **Assets** | | | |
| Segment assets | 11,986,168 | 13,615,025 | 25,601,193 |
| | | | |
| **Liabilities** | | | |
| Segment liabilities | 10,328,954 | 4,587,664 | 14,916,618 |

*Accounting policy for operating segments*
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Board of Directors (or Chief Operating Decision Makers ('CODM')). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Note 5. Revenue

| | Consolidated 31 March 2023 $ | Consolidated 31 March 2022 $ |
|---|---|---|
| Continued operations – goods transferred at a point in time | 33,756,155 | 39,346,244 |
| | | |
| **Total revenue from continued operations** | **33,756,155** | **39,346,244** |

## Note 6. Other income

| | Consolidated 31 March 2023 $ | Consolidated 31 March 2022 $ |
|---|---|---|
| Net gain on disposal of property, plant and equipment | 31,388 | 9,115 |
| Other income | 129,029 | 53,483 |
| Interest revenue | 700 | 21 |
| | | |
| **Total other income** | **161,117** | **62,619** |

## Note 7. Finance costs

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Bank fees and borrowing costs | 180,834 | 391,969 |
| Interest on borrowings | 330,558 | 259,821 |
| Interest on lease liabilities (i) | 47,924 | 62,639 |
| Inventory management fees (ii) | 290,763 | 716,186 |
| **Total finance costs** | **850,079** | **1,430,615** |

(i) Lease payments are apportioned between finance charges and reduction on the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

(ii) Inventory management fees relate to costs payable to suppliers who provide hay storage facilities in order for the company to manage its working capital requirements.

## Note 8. Income tax expense / (benefit)

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Income tax benefit* | | |
| Current tax | 225,919 | (2,484,768) |
| Adjustment recognised for prior periods | 4,394 | (64,526) |
| Deferred tax expense (income) | (192,660) | 2,888,911 |
| Change in tax rate from 30% to 25% (2022: from 26% to 30%) | (37,653) | (382,272) |
| **Aggregate income tax expense/(benefit)** | **-** | **(42,655)** |
| Income tax benefit is attributable to: | | |
| Loss from continuing operations | 505,329 | 1,381,587 |
| Loss from discontinued operations | (505,329) | (1,424,242) |
| **Aggregate income tax expense/(benefit)** | **-** | **(42,655)** |
| *Numerical reconciliation of income tax benefit and tax at the statutory rate* | | |
| Loss before income tax expense from continuing operations | (3,815,622) | (4,318,778) |
| Loss before income tax expense from discontinued operations | 202,898 | (5,420,777) |
| **Total loss before income tax benefit / (expense)** | **(3,612,724)** | **(9,739,555)** |
| Tax benefit / (expense) at the statutory tax rate of 25% (2022: 30%) | 903,181 | 2,940,556 |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Non-deductible permanent differences | (454,019) | - |
| Current year tax benefit / (losses) not recognised | 88,684 | (3,000,371) |
| Deferred tax benefit / (losses) not recognised | (533,452) | 37,944 |
| | 4,394 | (21,871) |
| Adjustment recognised for prior periods | (4,394) | 64,526 |
| **Income tax benefit** | **-** | **42,655** |

**Note 8. Income tax benefit (continued)**

The Consolidated Entity has unused tax losses of $17,497,967 (2022: $17,981,740). The unused tax losses whilst have been incurred, have not been recognised by the Consolidated Entity as the directors have determined it is not probable at this stage the benefit will flow to the Consolidated Entity to recognise the deferred tax asset as at 31 March 2023 (31 March 2022: $nil). The unrecognised tax losses can be carried forward indefinitely, subject to meeting the continuity of ownership or same business test.

**Note 9. Operations held for sale**

On 24 August 2021, the Consolidated Entity announced that Austco Polar, its Service Business operating segment, is noncore to the Consolidated Entity's future growth strategy given the substantial growth opportunities available through its Fodder Business.

**(a) Statement of profit or loss for operations held for sale**

| | **Consolidated** | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Revenue | 6,139,078 | 10,717,974 |
| Cost of sales | (4,036,108) | (6,993,085) |
| Other income | 88,557 | 9,269 |
| Corporate, administration and operating expenses | (1,154,805) | (2,195,123) |
| Employee expenses | (342,504) | (613,313) |
| Freight expenses | (274,290) | (479,499) |
| Gain / (loss) on disposal of property, plant and equipment | - | (2,559,340) |
| Gain on disposal of business | 1,322,817 | - |
| Depreciation expense | (837,196) | (1,838,950) |
| Finance costs | (702,651) | (1,468,710) |
| **Total other expenses (net of other income)** | **(1,900,072)** | **(9,145,666)** |
| Loss before income tax expense | 202,898 | (5,420,777) |
| Income tax (expense) / benefit | (505,329) | 1,424,242 |
| **Loss after income tax expense from discontinued operations** | **(302,431)** | **(3,996,535)** |

## Note 9. Operations held for sale (continued)

### (b) Net assets of operations held for sale

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Cash and cash equivalents | - | 113,877 |
| Trade and other receivables | - | 631,614 |
| Other current assets | - | 290,920 |
| Property, plant and equipment | - | 2,630,459 |
| Right-of-use assets | - | 17,146,168 |
| **Total assets** | **-** | **20,813,038** |
| Trade and other payables | - | 1,932,329 |
| Employee entitlements | - | 508,344 |
| Lease liabilities | - | 19,406,488 |
| **Total liabilities** | **-** | **21,847,161** |
| **Net assets** | **-** | **(1,034,123)** |

### (c) Deconsolidation of subsidiary

On 7 October 2022, the Group lost control of Austco Polar Cold Storage Pty Ltd with its ownership of the entity reduced to 0% (31 March 2022: 100%). Consequently, Austco Polar Cold Storage Pty Ltd no longer met the criteria from which a subsidiary is controlled under AASB110 – Consolidated Financial Statements. Upon deconsolidation the Group recognised a gain on deconsolidation of $1,322,817.

The gain on deconsolidation is calculated as follows:

| | **7 October 2022 $** |
|---|---|
| Prepayments | 223,799 |
| Property, plant and equipment | 2,613,984 |
| Right-of-use assets | 16,445,591 |
| **Total assets disposed** | **19,283,374** |
| Employee entitlements | 445,428 |
| Lease liabilities | 18,952,974 |
| **Total liabilities disposed** | **19,398,402** |
| Net liabilities disposed | 115,028 |
| Cash consideration received | 1,207,789 |
| **Gain on deconsolidation** | **1,322,817** |

*Accounting policy for discontinued operations*

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

## Note 10. Other Assets and Liabilities held for sale

On 20 February 2023, the Consolidated Entity announced it entered into binding, conditional sale agreements with Balco Australia Pty Ltd for the sale of its 100% owned Raywood Facility. Consequently, net assets of $16,782,053 were classified as held for sale comprising of Intangible assets of $1,816,075, Property, plant and equipment of $12,317,105, Right-of-use assets of $2,723,766 and Employee entitlements of ($74,893). Working capital assets and liabilities up to 14 April 2023 pertaining to the Raywood facility were retained by Wingara.

The Transaction was for a cash consideration of $14,300,000 (less working capital adjustments of $660,552) plus $700,000 paid into escrow to be received 6 months post completion. Consequently, as at 31 March 2023, an impairment charge of $2,442,604 was recorded in the statement of profit or loss and other comprehensive income constituting a write-down to fair value of Intangible assets, Property, plant and equipment and Right-of-Use assets of $1,816,075, $221,090 and $405,439, respectively.

On 14 April 2023, the Consolidated Entity announced it had met all conditions precedent to the agreements entered into with Balco Australia Pty Ltd for the sale of its Raywood Facility.

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Property, plant and equipment | 12,096,014 | - |
| Right-of-use assets | 2,318,327 | |
| Intangible assets | - | - |
| **Total assets** | **14,414,341** | **-** |
| Employee entitlements | 74,893 | - |
| **Total liabilities** | **74,893** | **-** |
| **Net assets** | **14,339,448** | **-** |

## Note 11. Trade and Other Receivables

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Current assets* | | |
| Trade and other receivable | 1,466,336 | 2,796,432 |
| Provision for expected credit losses | (37,214) | - |
| **Trade receivables** | **1,429,122** | **2,796,432** |

*Allowance for expected credit losses*
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| 0 to 3 months overdue | 1,407,464 | 2,785,300 |
| 3 to 6 months overdue | 49,702 | - |
| Over 6 months overdue | 9,170 | 11,132 |
| **Total trade receivables** | **1,466,336** | **2,796,432** |

## Note 11. Trade and other receivables (continued)

*Accounting policy for trade and other receivables*
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 to 60 days.

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Bad and doubtful debts in financial year 2023 are in connection with the sale of Austco Polar. Outside of this, bad and doubtful debts are rare for the Consolidated Entity. Any provision for expected credit losses would have an immaterial impact on the financial statements.

## Note 12. Right-of-use assets

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Non-current assets* | | |
| Land and buildings – right-of-use | 935,005 | 1,081,520 |
| Less: Accumulated depreciation | (406,831) | (340,379) |
| **Net land and buildings – right-of-use** | **528,174** | **741,141** |
| | | |
| Plant and equipment – right-of-use | 480,927 | 4,398,937 |
| Less: Accumulated depreciation | (194,023) | (1,140,184) |
| **Net plant and equipment – right-of-use** | **286,904** | **3,258,753** |
| | | |
| Motor vehicles – right-of-use | 127,781 | 51,742 |
| Less: Accumulated depreciation | (18,791) | (8,639) |
| **Net motor vehicles – right-of-use** | **108,990** | **43,103** |
| | | |
| **Total net right-of-use assets** | **924,068** | **4,042,997** |

**Note 12. Right-of-use assets (continued)**

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| Consolidated | Land and buildings $ | Plant and equipment $ | Motor vehicles $ | Total $ |
|---|---|---|---|---|
| Balance at 1 April 2022 | **741,141** | **3,258,753** | **43,103** | **4,042,997** |
| Additions | - | - | 76,039 | 76,039 |
| Raywood facility classified as held for sale | - | (2,723,766) | - | (2,723,766) |
| Disposals | - | - | - | - |
| Depreciation expense | (212,967) | (248,083) | (10,152) | (471,202) |
| **Balance at 31 March 2023** | **528,174** | **286,904** | **108,990** | **924,068** |

| Consolidated | Land and buildings $ | Plant and equipment $ | Motor vehicles $ | Total $ |
|---|---|---|---|---|
| Balance at 1 April 2021 | 19,270,990 | 3,771,680 | 199,121 | 23,241,791 |
| Additions | - | - | - | - |
| Austco Polar assets classified as held for sale | (17,726,493) | (231,578) | - | (17,958,071) |
| Disposals | - | - | (142,945) | (142,945) |
| Depreciation expense | (803,356) | (281,349) | (13,073) | (1,097,778) |
| **Balance at 31 March 2022** | **741,141** | **3,258,753** | **43,103** | **4,042,997** |

*Accounting policy for right-of-use assets*
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Note 13. Property, plant and equipment

| | Consolidated 31 March 2023 $ | Consolidated 31 March 2022 $ |
|---|---|---|
| Property, plant and equipment | 809,479 | 13,149,529 |
| Capital work-in-progress | - | 331,182 |
| **Total property, plant and equipment** | **809,479** | **13,480,711** |

| | Consolidated 31 March 2023 $ | Consolidated 31 March 2022 $ |
|---|---|---|
| *Non-current assets* | | |
| Freehold land & improvements and buildings | 99,231 | 11,215,050 |
| Less: Accumulated depreciation | (12,860) | (835,610) |
| **Net freehold land and buildings** | **86,371** | **10,379,440** |
| Plant and equipment | 828,333 | 2,541,529 |
| Less: Accumulated depreciation | (201,881) | (369,469) |
| **Net plant and equipment** | **626,452** | **2,172,060** |
| Fixtures and fittings | 43,876 | 121,934 |
| Less: Accumulated depreciation | (24,956) | (55,647) |
| **Net fixtures and fittings** | **18,920** | **66,287** |
| Machinery and vehicles | 31,771 | 151,047 |
| Less: Accumulated depreciation | (22,148) | (105,770) |
| **Net machinery and vehicles** | **9,623** | **45,277** |
| Spare parts and software/IT | 183,034 | 972,582 |
| Less: Accumulated depreciation | (114,921) | (486,117) |
| **Net spare parts and software/IT** | **68,113** | **486,465** |
| **Capital work-in-progress** | **-** | **331,182** |
| **Total net property, plant and equipment** | **809,479** | **13,480,711** |

**Note 13. Property, plant and equipment (continued)**

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| Consolidated | Freehold land & improveme-nts and Buildings $ | Plant and equipment $ | Fixtures and fittings $ | Machinery and vehicles $ | Spare parts and software/IT $ | Capital work-in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|
| Balance at 1 April 2022 | 10,379,440 | 2,172,060 | 66,287 | 45,277 | 486,465 | 331,182 | 13,480,711 |
| Additions | 87,688 | 255,764 | 499 | 49,997 | 80,843 | - | 474,791 |
| Raywood facility classified as held for sale | (10,089,508) | (1,735,863) | (36,420) | (66,662) | (272,890) | (115,762) | (12,317,105) |
| Disposal of fixed assets | - | - | - | (9,631) | - | - | (9,631) |
| Transfers In/(Out) | - | 215,420 | - | - | - | (215,420) | - |
| Depreciation expense | (291,249) | (280,929) | (11,446) | (9,358) | (226,305) | - | (819,287) |
| **Balance at 31 March 2023** | **86,371** | **626,452** | **18,920** | **9,623** | **68,113** | **-** | **809,479** |

| Consolidated | Freehold land & improveme-nts and Buildings $ | Plant and equipment $ | Fixtures and fittings $ | Machinery and vehicles $ | Spare parts and software/IT $ | Capital work-in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|
| Balance at 1 April 2021 | 11,080,927 | 6,145,297 | 325,158 | 129,995 | 461,645 | 2,605,166 | 20,748,188 |
| Additions | 83,100 | 951,768 | 7,469 | - | 307,873 | 608,223 | 1,958,433 |
| Austco Polar classified as held for sale | (321,507) | (4,239,954) | (239,778) | - | (134,692) | (252,695) | (5,188,626) |
| Disposal of fixed assets[19] | (173,156) | (2,484,466) | (1,891) | (66,320) | - | (269,413) | (2,995,246) |
| Transfers In/(Out) | - | 2,360,099 | - | - | - | (2,360,099) | - |
| Depreciation expense | (289,924) | (560,684) | (24,671) | (18,398) | (148,361) | - | (1,042,038) |
| **Balance at 31 March 2022** | **10,379,440** | **2,172,060** | **66,287** | **45,277** | **486,465** | **331,182** | **13,480,711** |

*Accounting policy for property, plant and equipment*
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition and commissioning of the items.

[19] *During the financial year 2022, one-off disposals of property, plant and equipment of $5,491,210 was charged to the statement of profit or loss and other comprehensive income ($2,931,870 relating to continuing operations and $2,559,340 relating to discontinued operations).*

**Note 13. Property, plant and equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Buildings | 40 years |
| Plant and equipment | 2 - 20 years |
| Furniture, fittings and equipment | 2 - 20 years |
| Motor vehicles | 5 - 7 years |
| Others | 1 - 20 years |

Land is not depreciated because land is assumed to have an unlimited useful life.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Consolidated Entity's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Where property, plant and equipment is still in construction and considered capital work-in-progress, the asset will be carried on the balance sheet and will begin depreciation once its useful life begins.

**Note 14. Intangibles**

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Non-current assets* | | |
| Goodwill - at cost | - | 31,711 |
| Export license - at cost | - | 1,784,364 |
| **Total intangibles** | **-** | **1,816,075** |

*Goodwill*
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

**Note 14. Intangibles (continued)**

Trademarks and licenses
Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life as they can be renewed for only a trivial amount at expiry of licence period without incurring significant costs and time and are subsequently carried at cost less accumulated amortisation and impairment losses. These assets with indefinite useful life are tested for impairment on an annual basis.

On 20 February 2023, the Consolidated Entity announced it entered into binding, conditional sale agreements with Balco Australia Pty Ltd for the sale of its 100% owned Raywood Facility, including licenses and parts of its operations. Consequently, Goodwill and Export licences pertaining to the Raywood facility were re-classified to Available-for-sale assets. Refer to note 10 for further information.

**Note 15. Trade and other payables**

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Current liabilities* | | |
| Trade payables | 1,763,003 | 4,559,970 |
| Statutory payables | 167,086 | 262,162 |
| Other payables | 1,222,683 | 1,160,966 |
| **Total trade and other payables** | **3,152,772** | **5,983,098** |

Refer to note 20 for further information on financial instruments.

*Accounting policy for trade and other payables*
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Note 16. Borrowings**

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| *Current liabilities* | | |
| Commercial facilities | 1,160,000 | 918,500 |
| Revolving loan facility | 5,000,000 | 3,500,000 |
| **Total current borrowings** | **6,160,000** | **4,418,500** |
| *Non-current liabilities* | | |
| Commercial facilities | 1,106,000 | 1,347,500 |
| Non-financial institutional loan | 779,692 | - |
| **Total non-current borrowings** | **1,885,692** | **1,347,500** |
| **Total borrowings** | **8,045,692** | **5,766,000** |

## Note 16. Borrowings (continued)

Refer to note 20 for further information on financial instruments.

*Total secured liabilities*

Subsequent to the current financial year, on 14 April 2023 all secured borrowings were fully repaid. The below conditions existed as at 31 March 2023.

- Westpac tailored commercial facility with a fully drawn down limit of $436,000 (31 March 2022: $436,000). The facility is subject to BBSY rate plus a margin of 1.58% (31 March 2022: 1.55%) per annum and line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of the facility is four (5) years from date of inception expiring on 12 February 2024. Interest and principal are paid on a monthly basis, the principal being settled in an amount of $80,500 per month from 1 August 2023 until the loan is repaid. The balance of $436,000 is expected to be repaid within 12 months and therefore classified as a current liability.
- Westpac tailored commercial facility with a fully drawn down limit of $1,830,000 (31 March 2022: $1,830,000). The facility is subject to BBSY rate plus a margin of 1.55% (31 March 2022: 1.55%) per annum and line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of this facility is four (4) years from date of inception. Interest and principal are paid on a monthly basis, the principal being settled in an amount of $90,500 per month from 1 August 2023.
- Revolving loan facility with a draw down limit of $5,000,000 (31 March 2022: $5,000,000) was drawn down to $5,000,000 at 31 March 2023 (31 March 2022: $3,500,000). This facility is subject to BBSY rate plus a margin of 1.12% (31 March 2022: 1.12%) per annum and a line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of this facility is 18 months from inception, extended from January 2023 to 1 December 2023, therefore, the entire outstanding balance has been classified as a current liability at 31 March 2023. Monthly payments consist of interest and fees only, the outstanding unpaid principal due for settlement on expiry of the term of the facility.
- The balance of the non-financial institutional loan was $779,692. The facility is subject to a capitalised interest rate of 5%. The facility is repayable subsequent to the full and final settlement of the Westpac facilities and therefore the entire outstanding balance is classified as a non-current liability at 31 March 2023.

*Accounting policy for borrowings*
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

*Assets pledged as security*
The commercial bill and loan are secured by a fixed and floating charge over the shares of the business and machinery and equipment owned by the Consolidated Entity.

*Bank overdraft facility*
As at 31 March 2023 the Consolidated Entity's overdraft facility limit was $600,000 (31 March 2022: $600,000) of which $nil was drawn on (31 March 2022: $nil).

## Note 17. Lease liabilities

| | **Consolidated** | |
|---|---|---|
| | **31 March 2023<br>$** | **31 March 2022<br>$** |
| *Current liabilities* | | |
| Lease liability | 958,627 | 949,617 |
| *Non-current liabilities* | | |
| Lease liability | 932,606 | 1,825,873 |
| **Total lease liabilities** | **1,891,233** | **2,775,490** |

Refer to note 20 for further information on financial instruments.

## Note 17. Lease liabilities (continued)

*Accounting policy for lease liabilities*
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Consolidated Entity. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Consolidated Entity leases land and buildings for its offices and warehouses under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Consolidated Entity also leases motor vehicles under agreements of five years.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Consolidated Entity’s incremental borrowing rate.

## Note 18. Issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | 31 March 2023 Shares | 31 March 2022 Shares | 31 March 2023 $ | 31 March 2022 $ |
| Ordinary shares - fully paid | 175,542,504 | 175,542,504 | 29,570,874 | 29,570,874 |

*Movements in ordinary share capital*

There were no movements in ordinary share capital during the financial year ended 31 March 2023.

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 April 2021 | 132,782,273 | | 25,029,198 |
| Issue of shares to institutional investors | 6 September 2021 | 2,045,454 | $0.110 | 225,000 |
| Issue of shares to employees | 21 September 2021 | 938,181 | $0.110 | 105,000 |
| Issue of shares to institutional and retail investors | 23 September 2021 | 39,549,324 | $0.110 | 4,350,626 |
| Issue of shares to institutional and retail investors | 4 November 2021 | 227,272 | $0.110 | 25,000 |
| Less capital raising costs | | - | | (163,950) |
| **Balance** | **31 March 2022** | **175,542,504** | | **29,570,874** |
| **Balance** | **31 March 2023** | **175,542,504** | | **29,570,874** |

On 6 September 2021, 23 September 2021 and 4 November 2021, the Consolidated Entity issued respectively 2,045,454, 39,549,324 and 227,272 free attaching options over fully paid ordinary shares with an exercise price of $0.17 (17 cents) per fully paid ordinary share, expiring on 31 December 2023, to participants in the respective share issues of said dates.

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

**Note 18. Issued capital (continued)**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. It is also to maintain an optimal mix between debt and equity to minimise the cost of capital.

In order to achieve this objective, the Consolidated Entity seeks to maintain adequate levels of external borrowings from reputable financial institutions and further contribution of shareholders through capital raising to enable the Consolidated Entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, management considers various alternatives from issue of new equity/debt instruments such as shares or options, convertible notes to extending the current debt facility.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Consistent with others in the industry, the Consolidated Entity monitors capital on the basis of the following gearing ratios:

- Net debt to equity ratio, being total liabilities divided by total equity at market value; and
- Borrowings to equity ratio, being total borrowings divided by total equity at market value.

Total equity at market value represents total fully paid ordinary shares at market value less other reserves and accumulated losses.

The capital risk management policy remains unchanged from the 2022 Annual Report.

*Accounting policy for issued capital*
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 19. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year. On 14 April 2023, the Company declared a fully franked Special Dividend of $0.006c per share for a total payment of $1,053,255 made on 5 May 2023. As at 31 March 2023, the Company had a franking credit balance of $495,962.

**Note 20. Financial instruments**

***Financial risk management objectives***
The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, commodity price risk and interest rate risk), credit risk and liquidity risk. The key financial instruments impacted include cash and cash equivalents, receivables, other financial assets, trade and other trade payables and borrowings.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Consolidated Entity’s finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

## Note 20. Financial instruments (continued)

### *Market risk*

*Foreign currency risk*
The Consolidated Entity undertakes certain transactions denominated in US dollars (US$) and is exposed to foreign currency risk through foreign exchange rate fluctuations. As at 31 March 2023, the Consolidated Entity held $294,940 (2022: $2,641,430) worth of trade receivables and cash at bank of $35,910 (2022: $264,148) that were denominated in US$.

Based on this exposure, the following sensitivity analysis has been performed. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

| **Consolidated - 31 March 2023** | **AUD strengthened % change** | **Effect on profit before tax** | **Effect on equity** | **AUD weakened % change** | **Effect on profit before tax** | **Effect on equity** |
|---|---|---|---|---|---|---|
| Trade receivables - US dollars | 10% | (40,109) | (40,109) | (10%) | 49,022 | 49,022 |
| Cash at bank - US dollars | 10% | (4,883) | (4,883) | (10%) | 5,969 | 5,969 |

| **Consolidated - 31 March 2022** | **AUD strengthened $ change** | **Effect on profit before tax** | **Effect on equity** | **AUD weakened $ change** | **Effect on profit before tax** | **Effect on equity** |
|---|---|---|---|---|---|---|
| Trade receivables - US dollars | 10% | (240,130) | (240,130) | (10%) | 293,492 | 293,492 |
| Cash at bank - US dollars | 10% | (24,013) | (24,013) | (10%) | 29,350 | 29,350 |

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity makes use of derivative financial instruments to hedge foreign exchange risk by engaging in forward foreign exchange contracts to mitigate the impact of foreign exchange rate fluctuations. The company follows a formal foreign exchange risk management framework and policy. On 31 March 2023, the Consolidated entity did not hold any derivative financial instruments.

*Commodity price risk*
The Consolidated Entity is affected by the price volatility of hay which is a type of commodity. Its operating activities require the ongoing trading of hay and therefore require a continuous supply of hay. Due to the nature of the commodity being significantly seasonal, the Consolidated Entity mitigates the risk of hay price fluctuating unfavourably by working closely with its suppliers to forecast supply volume in upcoming season, along with customer demands.

Based on this assessment, management adjusts its level of purchase and storage to maintain a reasonable level of inventory in stock to meet with future demands and avoid any potential shortage due to bad weather. Prices paid to suppliers for inventory are fixed for the life of the contract and re-negotiated once the contract has finished. Contracts signed with customers are re-negotiated at every new hay season to reflect the fluctuation on the hay price and thus the price risk is passed on to customers.

*Interest rate risk*
The Consolidated Entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Consolidated Entity to interest rate risk.

The Consolidated Entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Consolidated Entity works closely with reputable financial institutions to achieve the most optimal facilities available on the market which can be used to fund the Consolidated Entity's operations at an affordable cost of debt.

## Note 20. Financial instruments (continued)

As at 31 March 2023, the Consolidated Entity held $7,266,000 in variable rate borrowings (2022: $5,766,000). All borrowings as at 31 March 2022 were fully repaid on 14 April 2023 and therefore the Company is not exposed to interest rate fluctuations.

### *Credit risk*
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations. Management monitors the approval of new credit limit and collection process.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The credit quality of financial assets that are neither past due nor impaired can be assessed by the Consolidated Entity's senior management having continuous discussion with counter parties to thoroughly assess their financial position and ability to make repayment

### *Liquidity risk*
Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Liquidity risk arises from the Consolidated Entity’s management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Consolidated Entity may encounter difficulty in meeting its financial obligations as they fall due. Depending on the facility type, the debt covenant requires the Consolidated Entity to make a pre-determined amount of payment towards interest and principal each month or each quarter.

The Consolidated Entity monitors the liquidity ratio on a monthly basis and seeks to maintain sufficient cash balances (or agreed facilities) to meet all current obligations which are due within the next 12 months.

*Financing arrangements*
Unused borrowing facilities at the reporting date:

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| Overdraft[20] | 600,000 | 600,000 |
| Bank guarantee | - | - |
| Corporate card | 24,500 | 35,000 |
| Revolving loan facility | - | 1,500,000 |
| **Total unused borrowings** | **624,500** | **2,135,000** |

As at 31 March 2023, the Consolidated Entity has issued guarantees of $117,920 (31 March 2022: $1,979,000).

[20] *On 14 April 2023, upon repayment of all borrowings, the overdraft facility was closed.*

## Note 20. Financial instruments (continued)

*Remaining contractual maturities*
The following tables detail the Consolidated Entity's (including discontinued operations (Austco Polar)) remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| **Consolidated - 31 March 2023** | **1 month or less $** | **Between 1 to 6 months $** | **Between 6 to 12 months $** | **Over 1 year $** | **Remaining contractual maturities $** |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | |
| *Non-interest bearing* | | | | | |
| Trade payables | 1,721,211 | 23,504 | 18,288 | - | 1,763,003 |
| Other payables | 1,389,769 | - | - | - | 1,389,769 |
| *Interest-bearing - variable* | | | | | |
| Lease liability | 89,693 | 448,465 | 511,154 | 991,746 | 2,041,058 |
| Borrowings[21] | - | 171,000 | 5,898,500 | 1,196,500 | 7,266,000 |
| *Interest-bearing – fixed* | | | | | |
| Borrowings[21] | - | - | - | 779,692 | 779,692 |
| **Total non-derivatives** | **3,200,673** | **642,969** | **6,427,942** | **2,967,938** | **13,239,522** |

| **Consolidated - 31 March 2022** | **1 month or less $** | **Between 1 to 6 months $** | **Between 6 to 12 months $** | **Over 1 year $** | **Remaining contractual maturities $** |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | |
| *Non-interest bearing* | | | | | |
| Trade payables | 5,496,535 | 309,743 | - | 98,188 | 5,904,466 |
| Other payables | 1,946,650 | 64,311 | - | - | 2,010,961 |
| *Interest-bearing - variable* | | | | | |
| Lease liability | 259,768 | 1,310,049 | 1,562,067 | 29,738,102 | 32,869,986 |
| Borrowings | - | 181,000 | 4,237,500 | 1,347,500 | 5,766,000 |
| *Interest-bearing – fixed* | | | | | |
| Borrowings | - | - | - | - | - |
| **Total non-derivatives** | **7,702,953** | **1,865,103** | **5,799,567** | **31,183,790** | **46,551,413** |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

[21] *Borrowings were repaid in full on 14 April 2023.*

## Note 21. Fair value measurement

*Accounting policy for fair value measurement*
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## Note 22. Key management personnel disclosures

*Directors*
The following persons were directors of Wingara AG Limited during the financial year:

| | |
|---|---|
| Mr David Christie | Non-Executive Chairman |
| Mr Steven Chaur | Non-Executive Director (resigned 1 April 2022) |
| Mr Brendan York | Non-Executive Director (appointed 23 September 2021) |
| Mr Marcello Diamante | Executive Director (appointed 11 November 2023). Previously Non-Executive Director (appointed 1 April 2022, resigned 10 November 2023) |

*Other key management personnel*
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

| | |
|---|---|
| Mr James Whiteside | Chief Executive Officer (resigned 10 November 2022) |
| Mr Jae Tan | Chief Financial Officer |
| Mr Zane Banson | Chief Commercial Officer (resigned 25 February 2023) |

*Compensation*
The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Short-term employee benefits | 929,189 | 849,534 |
| Post-employment benefits | 92,533 | 82,683 |
| Share-based payments | - | 60,000 |
| **Total compensation** | **1,021,722** | **992,217** |

## Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| *Audit services - William Buck* | | |
| Audit or review of the financial statements | 69,704 | 75,024 |
| *Other services - William Buck* | | |
| Other assurance services | - | 1,375 |
| **Total remuneration of auditors** | **69,704** | **76,399** |

## Note 24. Contingent liabilities

The Consolidated Entity had no contingent liabilities at 31 March 2023 (2022: nil).

## Note 25. Commitments

The Consolidated Entity had no capital commitments as at 31 March 2023 (2022: Nil).

## Note 26. Related party transactions

*Parent entity*
Wingara AG Limited is the parent entity.

*Subsidiaries*
Interests in subsidiaries are set out in note 28.

*Key management personnel*
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

*Transactions with related parties*
The following transactions occurred with related parties:

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| Other transactions: | | |
| Shares issued to directors* | - | 41,409 |
| Other transactions: | | |
| Shares issued to directors** | - | 40,000 |

* On 23 September 2021, David Christie and James Whiteside participated in the Entitlement Offer and as a result, 149,174 unquoted options were issued to David Christie and 227,272 unquoted options were issued to James Whiteside, with an expiry date of 31 December 2023 and an exercise price of $0.17 (17 cents) per fully paid ordinary share.

** During the financial year, the Company issued nil (2022: 367,587) fully paid ordinary to David Christie as part of the Company's Employee Share Scheme.

*Receivable from and payable to related parties*
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

## Note 26. Related party transactions (continued)

*Loans to/from related parties*
There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*
All transactions were made on normal commercial terms and conditions and at market rates.

## Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

| | Parent | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| Loss after income tax | (2,098,452) | (4,759,554) |
| **Total comprehensive loss** | **(1,758,400)** | **(4,759,554)** |

*Statement of financial position*

| | Parent | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| Total current assets | 1,542,787 | 1,525,614 |
| Total assets | 8,575,723 | 13,615,025 |
| Total current liabilities | 854,928 | 4,570,101 |
| Total liabilities | 1,646,813 | 4,587,664 |
| Equity | | |
| Issued capital | 29,570,873 | 29,570,874 |
| Share-based payment reserve | - | 75,226 |
| Accumulated losses | (22,641,963) | (20,618,739) |
| **Total equity** | **6,928,910** | **9,027,361** |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*
The Parent entity, Wingara AG Limited provides corporate guarantees to its subsidiaries as at 31 March 2023 and 31 March 2022.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 31 March 2023 (31 March 2022: nil).

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments as at 31 March 2023 (31 March 2022: nil).

*Significant accounting policies*
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for investments in subsidiaries are accounted for at cost, less impairment, in the parent entity.

## Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| | | Ownership interest | |
|---|---|---|---|
| **Name** | **Principal place of business / Country of incorporation** | **31 March 2023 %** | **31 March 2022 %** |
| Elect Performance Group Pty Ltd | Australia | 100.00% | 100.00% |
| JC Tanloden Victoria Pty Ltd | Australia | 100.00% | 100.00% |
| Austco Polar Cold Storage Pty Ltd | Australia | - | 100.00% |

## Note 29. Events after the reporting period

On 3 April 2023, the Consolidated Entity appointed Mr Marcello Diamante as Chief Executive Officer and Managing Director (previously on an interim basis).

On 14 April 2023, the Consolidated Entity announced it had met all conditions precedent to the agreements entered into with Balco Australia Pty Ltd for the sale of its Raywood Facility. As detailed in note 10, the Consolidated Entity completed the Transaction on 14 April 2023 for a cash consideration of $14.3 million (less working capital adjustments of $0.7 million) plus $0.7 million paid into escrow to be received 6 months post completion. Upon settlement, a Special Dividend was declared by the Company of $0.006 per share for a total payment of $1.1 million made on 5 May 2023. In addition, on 14 April 2023 the Company repaid in full all its financial and non-financial institutional debt of $8.0 million.

No other matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## Note 30. Reconciliation of loss after income tax to net cash from operating activities

| | Consolidated | |
|---|---|---|
| | **31 March 2023 $** | **31 March 2022 $** |
| Loss after income tax benefit/(expense) for the year | (3,612,724) | (9,696,900) |
| Adjustments for: | | |
| Depreciation and amortisation | 2,127,686 | 3,232,158 |
| Net loss/(gain) on disposal of property, plant and equipment | (31,388) | 5,479,915 |
| Gain from sale of Austco Polar business | (1,322,817) | - |
| Impairment of available-for-sale assets relating to Raywood facility | 2,442,604 | - |
| Share-based payments | - | 105,000 |
| Non-cash finance costs | 836,449 | 1,600,655 |
| Gain on forfeited options | - | (51,151) |
| Impairment of trade receivables | 37,214 | - |
| Change in operating assets and liabilities: | | |
| Decrease in trade and other receivables | 1,961,710 | 30,248 |
| Decrease in inventories | 1,192,567 | 387,897 |
| Decrease in other assets | 31,154 | 99,905 |
| Increase / (decrease) in trade and other payables | (4,762,657) | 1,297,054 |
| Increase / (decrease) in employee benefits | (76,746) | 123,168 |
| **Net cash from / (used in) operating activities** | **(1,176,948)** | **2,607,949** |

**Note 31. Loss per share**

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| *Loss per share from continuing operations* | | |
| Loss after income tax attributable to the owners of Wingara AG Limited | (3,310,293) | (5,700,365) |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic loss per share | 175,542,504 | 154,998,129 |
| Weighted average number of ordinary shares used in calculating diluted loss per share | 175,542,504 | 154,998,129 |
| | **Cents** | **Cents** |
| Basic loss per share | (1.89) | (3.68) |
| Diluted loss per share | (1.89) | (3.68) |

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| *Loss per share from discontinued operations* | | |
| Loss after income tax attributable to the owners of Wingara AG Limited | (302,431) | (3,996,535) |
| | **Cents** | **Cents** |
| Basic loss per share | (0.17) | (2.58) |
| Diluted loss per share | (0.17) | (2.58) |

| | Consolidated | |
|---|---|---|
| | 31 March 2023 $ | 31 March 2022 $ |
| *Loss per share attributable to the owners of Wingara AG Limited* | | |
| Loss after income tax attributable to the owners of Wingara AG Limited | (3,612,724) | (9,696,900) |
| | **Cents** | **Cents** |
| Basic loss per share | (2.06) | (6.26) |
| Diluted loss per share | (2.06) | (6.26) |

*Accounting policy for earnings/(loss) per share*

*Basic earnings/(loss) per share*
Basic earnings/(loss) per share is calculated by dividing the profit attributable to the owners of Wingara AG Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings/(loss) per share*
Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Note 31. Loss per share (continued)**

The rights to options and performance rights held by holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 'Earnings Per Share'. The rights to options and performance rights are non-dilutive as the Consolidated Entity is loss generating.

**Note 32. Share-based payments**

A share option plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

*Options*
Set out below are summaries of options granted under the plan:

**31 March 2023**

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 23/12/2019 | 23/12/2022 | $0.360 | 750,000 | - | - | (750,000) | - |
| | | | **750,000** | **-** | **-** | **(750,000)** | **-** |

**31 March 2022**

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 13/06/2018 | 12/06/2021 | $0.480 | 500,000 | - | - | (500,000) | - |
| 13/08/2018 | 12/08/2021 | $0.480 | 500,000 | - | - | (500,000) | - |
| 23/12/2019 | 23/12/2022 | $0.360 | 1,250,000 | - | - | (500,000) | 750,000 |
| | | | **2,250,000** | **-** | **-** | **(1,500,000)** | **750,000** |

*Performance rights*
Set out below are summaries of performance rights granted under the plan:

**31 March 2023**

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 01/12/2021 | 31/05/2024 | $0.000 | 3,816,603 | - | - | (2,926,905) | 889,698 |
| | | | **3,816,603** | **-** | **-** | **(2,926,905)** | **889,698** |

**31 March 2022**

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 01/12/2021 | 31/05/2024 | $0.000 | - | 3,816,603 | - | - | 3,816,603 |
| | | | **-** | **3,816,603** | **-** | **-** | **3,816,603** |

For the 889,698 performance rights granted on 1 December 2021 (31 March 2022: 3,816,603), the valuation is based on the 5 week VWAP of WNR shares trading on the ASX ending 3 December 2021 and the fair value per right at grant date is $0.099.

**Note 32. Share-based payments (continued)**

For any of the Rights to vest, the employees must remain continuously employed by the Company until 31 May 2024. The number of Rights that will vest will be based on the Consolidated Entity’s Basic Earnings/(loss) per Share (EPS) achieved for the Financial Year F24 (1 April 2023 to 31 March 2024) is:

| Earnings per Share achieved for the Financial Year 2024 | % of Rights to vest |
|---|---|
| Less than 0.8 cps | 0% |
| Between 0.8 cps and 1.0 cps | Pro-rata on a straight line basis |
| Greater than 1.0 cps | 100% |

During the financial year 2023, no share based payment charge was recognised in the statement of profit or loss and comprehensive income for these performance rights as they were not assessed as probable to vest (31 March 2022: $nil).

*Employee Share Scheme*
On 21 September 2021, the Consolidated Entity granted 938,181 fully paid ordinary shares to employees in accordance with the terms of the Company's Employee Share Scheme. The weighted average fair value of the shares granted was $0.11 per fully paid ordinary share.

*Accounting policy for share-based payments*
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

## Note 32. Share-based payments (continued)

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Wingara AG Limited**
**Directors' declaration**
**31 March 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 March 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mr David Christie
Non-Executive Chairman

31 May 2023

William Buck
ACCOUNTANTS & ADVISORS

# Wingara AG Limited
## Independent auditor's report to members

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

We have audited the financial report of Wingara AG Limited (the Company and its subsidiaries (the Consolidated Entity)), which comprises the consolidated statement of financial position as at 31 March 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2023 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE | |
|---|---|
| **Area of focus**<br>**Refer also to note 2, 9a, 9b, 9c and 10** | **How our audit addressed it** |
| **Raywood facility ("Raywood")**<br><br>As disclosed in the financial report, during the year, the Consolidated Entity announced its intention to sell the Raywood facility business with the deal closing subsequent to year end on 14 April 2023.<br><br>Based on the requirements of AASB 5 the sale process has triggered the business assets to be classified as held for sale.<br><br>**Austco Polar Cold Storage Pty Ltd ("Austco")**<br><br>On 7 October 2022, the Consolidated Entity completed the sale of Austco for a cash consideration of approximately $1.2 million. On this date the Consolidated Entity lost control of the subsidiary and it was deconsolidated from the Consolidated Entity's statement of financial position resulting in a gain of $1.32 million being recognised in the statement of profit or loss and other comprehensive income.<br><br>Due to the significance of these transactions to the Consolidated Entity's financial position and performance these matters were considered key audit matters. | Our audit procedures included:<br><br>**Raywood facility**<br><br>— Ensuring that the accounting requirements under AASB 5 in respect of assets held for sale and have been correctly accounted for; and<br>— We have also assessed the adequacy of disclosures in the notes to the financial report.<br><br>**Austco Polar Cold Storage Pty Ltd ("Austco")**<br><br>— Verified that the sale transaction completed on 7 October 2022 was accounted for appropriately through review of the sale agreement and vouching of supporting documentation such as the cash received by the Consolidated Entity on completion;<br>— Performed audit procedures over the balances relating to the sale of the business and deconsolidation of the subsidiary as at the date of completion in order to determine the gain on sale; and<br>— We have also assessed the adequacy of disclosures in the notes to the financial report. |

| GOING CONCERN | |
|---|---|
| **Area of focus**<br>**Refer also to note 2** | **How our audit addressed it** |
| As disclosed in Note 2, the Consolidated Entity made a loss after tax of $3.6 million, and a net cash outflow from operations of $1.2 million.<br><br>Notwithstanding these results, the accounts have been prepared on the assumption that the Group is a going concern for the following reasons:<br>— The receipt of the $14.3 million of proceeds (less working capital adjustment of $0.7 million) from the completion of the sale of the Raywood facility on 14 April 2023;<br>— Full repayment of all financial and non-financial institutional debt in the amount of $9.2 million; | Our audit procedures included:<br>— Evaluation of the directors' assessment of the Group's ability to continue as a going concern;<br>— Reviewing cash flow forecasts and assumptions provided by the directors', including future sales; and<br>— Vouching the cash receipted as part of the sale of the Raywood facility and confirming that that financial debt has been repaid in full as at the date of this report.<br><br>We have also assessed the adequacy of disclosures in relation to going concern in the Notes to the financial report. |

| GOING CONCERN | |
|---|---|
| **Area of focus**<br>**Refer also to note 2** | **How our audit addressed it** |
| — The future receipt of $0.7 million of proceeds relating to the release of escrowed funds from the sale of the Raywood facility six months after completion;<br>— The payment of a special dividend in the amount of $1.05 million on 5 May 2023;<br>— Necessary capital investment in the stand-along Epsom facility to ensure efficient processing has been completed;<br>— A significantly reduced cost base as the business down-sizes operations following completion of the Raywood transaction.<br><br>Based on the narrative above, as well as the judgements and estimates involved in making the assessment, this has been a key area of focus for our audit. | |

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 31 March 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

WilliamBuck
ACCOUNTANTS & ADVISORS

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

# Report on the Remuneration Report

## Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2023.

In our opinion, the Remuneration Report of Wingara AG Limited, for the year ended 31 March 2023, complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN 59 116 151 136

**A. A. Finnis**
Director
Melbourne, 31 May 2023