

**ASX Announcement**

9 August 2024

**Chair and CEO's Address to Shareholders**

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

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

**For further information please contact:**

Marcello Diamante

Managing Director and Chief Executive Officer

E: [marcello.diamante@wingaraag.com.au](mailto:marcello.diamante@wingaraag.com.au)For further information, please visit: <https://wingaraag.com.au/>**About Wingara AG Limited:**

Wingara AG Limited aims to be the leader in the sale of agricultural products to the domestic and international markets, particularly focusing on the export of hay products to Asia. By adhering to the highest standards of production we ensure a reliable source of hay to our clients, enabling them to meet their business demands confident in the quality of our product.

We are also dedicated to supporting local producers and our commitment to providing an equitable relationship with Australian farmers allows us to source the best product available. Wingara is committed to ensuring we uphold the highest standards of integrity throughout the organisation, ensuring that we create an environment in which individuals continue to strive to meet our goals.

**Forward-looking statements:**

Certain statements made in this release are forward-looking statements and are based on Wingara AG's current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements.

Although Wingara AG believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Wingara AG's control. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Wingara AG will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

## Chair's Address

FY2024 saw a simplification of the Wingara Business as we executed the sale of the Raywood site which completed in April 2024, provided the business with funds to pay down its remain debt, distribute a special fully franked dividend and provide some capital to reinvest in the remaining site for the 2024 Hay season.

Following the sale of Raywood, the management team led by Marcello Diamante, focused their efforts on reducing the operational cost base of the business to reflect its smaller size and rebuild the remaining Epsom operation in preparation for the 2024 Hay season. The 2024 Hay season was a strong one with average yields and quality being one of the best ever seasons recorded. However, the buoyant season was tempered by the subdued demand for fodder from our key exporting markets in Asia. I will leave the operational details to Marcello in his address, however I will add that Marcello and his team have done a fantastic job in turning around the Epsom Site, from a mothballed facility in April 2024, to a fully operational processing site delivering a processing capacity in excess of 30,000MT per annum. Unfortunately, the current subdued export market for fodder has meant that the goal to achieve positive operating cash flow by the end of FY2024 was not achieved and will be challenging for FY2025 whilst a subdued demand market for fodder persists.

In light of the subdued market, the Board will continue to assess its strategic opportunities in the export fodder space and are canvassing all potential opportunities in the Agricultural sector. We will of course keep the market informed of further developments in this regard.

I would like to thank my fellow Board members for their support during the year. Both Brendan York and Marcello Diamante; with the support of our CFO Joe Rinarelli, have been diligent in keeping operational costs down as low as possible.

As always, I thank our Staff, JCT customers and the wide network of growers who supply us.

I'll hand over to Marcello, to provide some more detail on FY2024 and the year ahead.

Thank you.

## CEO Address

Good morning everyone and thank you David.

I will use my time to provide more detail about our JCT Epsom Operations and provide some insight for the current challenging operating environment. I will not discuss the sale of Raywood as this is no longer relevant for the future of Wingara; as all proceeds from the sale was received by October 2023.

After the sale of the Raywood Site in April 2023, the business was left with a top-heavy management structure and a mothballed asset with three key employees kept at site to restart the business. The focus during FY 2024 was:

1. the rationalisation of our cost base whilst retaining the right level of capability to support marketing of Hay for the 2024 Hay season;
2. the investment in onsite plant and equipment to reactivate the site and improve plant reliability; and
3. the recruitment of site staff to enable us to process to nameplate capacity in the new season. This was completed in two phases; one to support single shift by the start of the new season and to support double shifts if 2024 season and demand conditions supported it.

We were successful in achieving our operational targets and had the Epsom site ready to process up to 30,000MT per annum, being optimistic for the new season; especially with the return of Chinese export licences to the Australian Oaten Hay market in late 2023.

The 2024 hay season ended up being above average in crop size and quality; the best we have seen in the past 5 years for Victoria. Due to the poor season prior, combined with dry conditions in WA reducing crop yields in that market, demand pressures pushed up the cost of Oaten Hay fodder to record levels as well.

The promising start to the 2024 Hay season changed as the expected demand from the reopening of the Chinese market didn't translate into strong volume and pricing growth. Economic conditions in key agricultural Asian markets of China, South Korea and Japan remained weak as we exited COVID market conditions. When the hoped for Chinese government stimulus did not eventuate, export prices fell impacting on export hay processing margins.

We have prudently managed our cost base and inventory to maintain competitiveness however the current subdued market will limit our ability to maintain a cash neutral position on a consolidated basis until a catalyst occurs to bring some equilibrium into the supply/demand equation and drives export prices higher.

As David elaborated in his address, we are exploring all strategic options in the Agricultural space for Wingara and we will keep our shareholders informed when an opportunity solidifies.

I would like to thank the Staff, Board and shareholders for their support in my time as Managing Director and Chief Executive Officer at Wingara. Their attitude and creativity to managing the current challenges has been exemplary. We are all aligned to maximising opportunities for Wingara AG.

Thankyou.