

Wingara AG Limited

Appendix 4D

Half-year Report

Half-year 30 September 2018

Name of entity:
Wingara AG Limited

ACN or equivalent company reference:
ACN 009 087 469

Half-year
30 September 2018

Previous corresponding period:
30 September 2017

1 Results for announcement to the market

					\$
Revenue for ordinary activities	Up	129.0%	to	14,722,108	
Net profit/(loss) after tax (from ordinary activities) for the period attributable to members	Up	735.0%	to	1,308,555	

2 Explanation of results

Please refer to section Review of operations on page 2 of the accompanying interim financial report.

3 Net tangible assets per share

	30 September 2018 \$	30 September 2017 \$
Net tangible asset per share	0.13	0.05

4 Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period (2017: nil).

5 Other information required by Listing Rule 4.2A

During the current reporting period, the Group completed the acquisition of 100% interest in Austco Polar Cold Storage Pty Ltd.

6 Status of interim review

This interim financial report is not subject to a modified opinion, emphasis of matter or other matter paragraph.

Wingara AG Limited

ACN 009 087 469

Half-year report for the half-year 30 September 2018

Wingara AG Limited ACN 009 087 469

Interim report - 30 September 2018

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2018 and any public announcements made by Wingara AG Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors

Gavin Xing - Executive Chairman & Managing Director

Zane Banson (appointed 8 June 2018)

Mark Hardgrave - Independent Non-Executive Director

Secretary

Phillip Hains

Principal registered office in Australia

5-7 Leslie Road
Laverton North VIC 3026
Australia

Share and debenture register

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(overseas)

Auditor

William Buck
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Melbourne Victoria 3000

Stock exchange listings

ASX: WNR

Website

www.wingaraag.com.au

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Wingara AG Limited (the "Company") and the entities it controlled at the end of, or during, the half-year 30 September 2018.

Directors

Gavin Xing - Executive Chairman & Managing Director

Zane Banson - Executive Director (appointed 8 June 2018)

Mark Hardgrave - Non-Executive Director

Principal activities

During the period the principal continuing activities of the Group consisted of acting as product processor and marketer of agricultural products, and also acting as service provider, providing temperature controlled facilities, blast freezing, storage and distribution through the Group's newly acquired subsidiary, Austco Polar Cold Storage.

Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period (2017: nil).

Review of operations

Wingara is proud to report a very successful 6 months to 30 September 2018. In line with forecast and Company strategy the Business delivered on both organic and acquisition based growth. During the half year Wingara successfully acquired and integrated the Austco Polar business and built the Raywood processing site with both domestic and international accreditation. The Raywood operation is located 20km outside Bendigo.

The Austco business has exceeded expectations with in both blast freezing numbers and improved business efficiencies. The management team are looking forward to continued improvement with a full six months of operation adding to performance in the second half of the year.

Raywood's civil and construction works were completed ahead of schedule with the first export container having left the site in September. The Raywood facility will provide Wingara with a strong foundation and platform for future growth in the domestic and international agricultural markets.

During the half year ended 30 September 2018, the Group has generated, total revenue of \$14,722,108, which is an increase of \$8,307,211 (or 129%), compared to the corresponding period. The Group has net tangible assets per share of \$0.13 which is a 260% increase on the mid year.

As at 30 September 2018, the group had cash reserves of \$4,452,281 compared to \$8,701,849 at prior year end. For the period ended 30 September 2018, the group has generated an operating cash inflow of \$3,227,767 (2017: inflow of \$588,981).

Matters subsequent to the end of the half-year

No matters or circumstances have arisen since 30 September 2018 that have significantly affected, or may significantly affect:

- (a) the Group's operations in future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the Group's state of affairs in future financial periods.

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 on page 4.

This report is made in accordance with a resolution of directors.



Gavin Xing
Director
Melbourne
31 October 2018

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF WINGARA AG LIMITED**

I declare that, to the best of my knowledge and belief during the period ended 30 September 2018 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

N. S. Benbow

N. S. Benbow
Director

Dated this 31st day of October 2018

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Wingara AG Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year 30 September 2018

	30 September 2018	30 September 2017
Notes	\$	\$
Revenue	14,722,108	6,414,897
Cost of sales	<u>(6,787,742)</u>	<u>(3,115,089)</u>
Gross profit	7,934,366	3,299,808
Other income	86,745	60,098
Expenses		
Freight expenses	(914,825)	(985,037)
Occupancy expenses	(137,182)	(102,019)
Administration expenses	<u>(4,212,556)</u>	<u>(2,058,383)</u>
Profit before interest, tax, depreciation and amortisation and transaction costs	2,756,548	214,467
Depreciation expenses	(898,561)	(259,041)
Finance costs	(691,226)	(129,463)
Transaction expenses	(681,652)	(32,114)
Gain on purchase	999,656	-
Profit/(loss) before tax for the period	1,484,765	(206,151)
Income tax expense	3 <u>(176,210)</u>	<u>-</u>
Profit/(loss) for the period	1,308,555	(206,151)
Other comprehensive income		
Other comprehensive income for the period, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the period	1,308,555	(206,151)
	Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:		
Basic earnings per share	1.32	(0.27)
Diluted earnings per share	1.29	(0.27)

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

Wingara AG Limited
Consolidated statement of financial position
As at 30 September 2018

		30 September 2018	31 March 2018
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		4,452,281	8,701,849
Trade and other receivables		1,030,637	395,133
Inventories		535,628	1,224,830
Current tax receivable		-	122,723
Other current assets		275,336	365,204
Total current assets		6,293,882	10,809,739
Non-current assets			
Property, plant and equipment	5	35,463,430	8,281,111
Deferred tax assets		163,126	333,607
Intangible assets		1,816,075	1,816,075
Other non-current assets		270,500	2,120,500
Total non-current assets		37,713,131	12,551,293
Total assets		44,007,013	23,361,032
LIABILITIES			
Current liabilities			
Trade and other payables		3,165,404	1,868,797
Borrowings	6	6,972,793	4,809,316
Employee benefit obligations		341,441	116,081
Total current liabilities		10,479,638	6,794,194
Non-current liabilities			
Borrowings	6	17,517,697	4,476,185
Employee benefit obligations		476,970	-
Total non-current liabilities		17,994,667	4,476,185
Total liabilities		28,474,305	11,270,379
Net assets		15,532,708	12,090,653
EQUITY			
Contributed equity	7	19,976,954	17,984,954
Share based payments reserve		156,500	15,000
Accumulated losses		(4,600,746)	(5,909,301)
Total equity		15,532,708	12,090,653

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 half-year 30 September 2018

		Attributable to owners of Wingara AG Limited			
		Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Total \$
Balance at 1 April 2017		11,701,104	-	(5,475,238)	6,225,866
Loss for the period		-	-	(206,151)	(206,151)
Total comprehensive income for the period		-	-	(206,151)	(206,151)
Balance at 30 September 2017		11,701,104	-	(5,681,389)	6,019,715
Balance at 1 April 2018		17,984,954	15,000	(5,909,301)	12,090,653
Profit for the period		-	-	1,308,555	1,308,555
Total comprehensive income for the period		-	-	1,308,555	1,308,555
Issue of shares	7	1,992,000	-	-	1,992,000
Options granted		-	141,500	-	141,500
		1,992,000	141,500	-	2,133,500
Balance at 30 September 2018		19,976,954	156,500	(4,600,746)	15,532,708

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 half-year 30 September 2018

	30 September 2018	30 September 2017
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	14,467,137	6,380,568
Payments to suppliers, employees and others	(10,562,120)	(5,713,718)
Interest received	13,975	20,724
Interest paid & finance costs	(691,225)	(98,593)
Net cash inflow from operating activities	3,227,767	588,981
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,269,930)	(559,962)
Deposits paid for the purchase of property, plant and equipment	(6,666,818)	(912,576)
Payments for business acquisition	(2,738,895)	-
Net cash (outflow) from investing activities	(24,675,643)	(1,472,538)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	50,000	-
Repayment of borrowings	(1,872,550)	(950,499)
Proceeds from borrowings	19,019,539	-
Net cash inflow (outflow) from financing activities	17,196,989	(950,499)
Net (decrease) in cash and cash equivalents	(4,250,887)	(1,834,056)
Cash and cash equivalents at the beginning of the financial year	8,701,849	6,814,100
Effects of exchange rate changes on cash and cash equivalents	1,319	(25,600)
Cash and cash equivalents at end of period	4,452,281	4,954,444

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

1 Basis of preparation of half-year report

These condensed consolidated interim financial statements for the half-year reporting period ended 30 September 2018 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2018 and any public announcements made by Wingara AG Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

(a) New and amended standards adopted by the Group

A number of new or amended standards (except AASB 9 *Financial Instruments*) became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Group elected to adopt AASB 9 *Financial Instruments* during the current period and there have been no material impact.

(b) Impact of standards issued but not yet applied by the entity

Management have considered the impact of new accounting standards and interpretations issued but not yet applied by the Group as compared to those of the previous financial year which are relevant to the Group's business as follows:

- Management has considered the recognition and measurement requirements of AASB 16 *Leases* ("AASB 16") in conjunction with the existing operating lease agreements between the Group and its suppliers. Based on this assessment, management concluded that there will be a material impact to the financial statement when AASB 16 is adopted and applied during the period. As of the date of this report, the Group had \$387,597 in operating lease commitment which would have been recognised on the statement of financial position had AASB 16 been adopted and applied during the period.

2 Segment information

(a) Description of segments

As a result of business acquisition of Austco Polar Cold Storage on 16 April 2018, during the half-year 30 September 2018 the group started to operate in two segments:

1. Acting as product processor and marketer of agricultural products in Australia;
2. Acting as service provider for manufacturers, providing temperature controlled facilities, blast freezing, storage and distribution.

The two segments details are therefore fully reflected in the body of the consolidated interim financial statements.

During the half year ended 30 September 2018, revenue from exporting to Asia and domestic sales contributed to 42% and 58% respectively of the total revenue of the entire group.

During the half year ended 30 September 2018, three of the Group's major customers contributed a total of 36% to the Group's total revenue. No other single customers contributed 10% or more to the Group's revenue for the period.

2 Segment information (continued)

(b) Financial breakdown

The segment information provided to the strategic steering committee for the reportable segments for the half-year 30 September 2018 is as follows:

2018	Hay Trading Business \$	Cold Storage \$	Total \$
Total segment revenue	9,056,390	5,665,718	14,722,108
Segment adjusted EBITDA	1,871,079	1,630,546	3,501,625
Corporate	-	-	(745,077)
Total adjusted EBITDA	1,871,079	1,630,546	2,756,548
Depreciation, finance and transaction costs	(719,366)	(873,476)	(1,592,842)
Corporate	-	-	(678,597)
Gain on purchase	-	-	999,656
Net profit before tax	1,151,713	757,070	1,484,765
Income tax expense	-	-	(176,210)
Net profit for the year	1,151,713	757,070	1,308,555
Segment assets	16,510,557	16,372,149	32,882,706
Corporate	-	-	11,124,307
Total assets	16,510,557	16,372,149	44,007,013
Segment liabilities	(13,582,784)	(14,615,423)	(28,198,207)
Corporate	-	-	(276,098)
Total liabilities	(13,582,784)	(14,615,423)	(28,474,305)

The Group has only one segment as 31 March 2018.

3 Income tax expense

(a) Income tax expense

	30 September 2018 \$	30 September 2017 \$
Current tax	261,439	-
Deferred tax expense (income)	(85,229)	-
	<u>176,210</u>	<u>-</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	30 September 2018 \$	30 September 2017 \$
Profit before income tax expense	1,484,765	(206,151)
Tax at the Australian tax rate of 27.5% (2017 - 30.0%)	408,310	(61,845)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible permanent differences	42,804	61,845
Non-assessable income	(274,904)	-
Income tax expense	<u>176,210</u>	<u>-</u>

4 Earnings/(Loss) per share

(a) Reconciliation of (loss)/earnings used in calculating (loss)/earnings per share

	30 September 2018 \$	30 September 2017 \$
<i>Basic & diluted earnings/(loss) per share</i>		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic & diluted earnings/(loss) per share:	<u>1,308,555</u>	<u>(206,151)</u>

(b) Weighted average number of shares used as denominator

	2018 Number	2017 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	98,983,320	77,546,578
Adjustments for calculation of diluted earnings per share:		
Options	2,431,319	-
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>101,414,639</u>	<u>77,546,578</u>

5 Property, plant and equipment

	30 September 2018 \$	31 March 2018 \$
Property, plant and equipment	24,380,321	3,864,821
Capital work-in-progress (*)	11,083,109	4,416,290
	35,463,430	8,281,111

() This balance comprises of deposits and payments made for development of sites in Horsham and Raywood as well as improvement of newly acquired warehouse in Laverton. The Group is still in the process of finalising these projects and thus further capitalisation is expected in the future. These costs will be subsequently transferred to property, plant and equipment when the assets are ready to be commissioned for operation.*

5 Property, plant and equipment (continued)

	Freehold land \$	Freehold buildings \$	Plant and equipment \$	Furniture, fittings and equipment \$	Machinery and vehicles \$	Other \$	Total \$
At 31 March 2018							
Cost or fair value	-	-	3,913,790	91,939	877,148	466,795	5,349,672
Accumulated depreciation	-	-	(1,110,097)	(30,058)	(222,658)	(122,038)	(1,484,851)
Net book amount	-	-	2,803,693	61,881	654,490	344,757	3,864,821
Half year ended 30 September 2018							
Opening net book amount	-	-	2,803,693	61,881	654,490	344,757	3,864,821
Acquisition of subsidiary	-	-	4,177,189	351,193	-	105,747	4,634,129
Additions in the period	5,400,064	10,546,909	360,436	43,351	289,932	139,240	16,779,932
Depreciation charge	-	(25,644)	(672,082)	(43,118)	(62,618)	(95,099)	(898,561)
Closing net book amount at 30 September 2018	5,400,064	10,521,265	6,669,236	413,307	881,804	494,645	24,380,321
At 30 September 2018							
Cost	5,400,064	10,546,909	8,451,416	486,483	1,167,081	711,782	26,763,735
Accumulated depreciation	-	(25,644)	(1,782,180)	(73,176)	(285,277)	(217,137)	(2,383,414)
Net book amount	5,400,064	10,521,265	6,669,236	413,307	881,804	494,645	24,380,321

6 Borrowings

	Note	30 September 2018			31 March 2018		
		Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Commercial bill & loan	6(a)	6,661,825	13,050,000	19,711,825	2,594,800	1,740,000	4,334,800
Asset finance loan	6(b)	262,888	4,306,572	4,569,460	237,464	2,572,510	2,809,974
Lease liabilities	6(c)	48,080	161,125	209,205	35,052	163,675	198,727
Convertible notes	6(d)	-	-	-	1,942,000	-	1,942,000
Total borrowings		6,972,793	17,517,697	24,490,490	4,809,316	4,476,185	9,285,501

(a) Commercial bills

- ANZ tailored commercial facilities with aggregate limit of \$16,610,000, to be reviewed annually. This facility is subject to a customer margin between 1.50% and 2.50% per annum and line fee of 2.50% per annum. The next annual review date is 15 October 2019.
- Daily rate loan facility with a limit of \$4,500,000, to be reviewed annually. This facility is subject to a customer margin and line fee of 1.50% and 2.50% per annum respectively. The next annual review date is 15 October 2019.

(b) Asset finance loan

- Various ANZ asset finance facilities that bear interest rates between 1.50% and 5.89% per annum.

The above facilities are secured by assets owned by the group.

(c) Lease liability

- Finance leases over fixed assets with interest rates of 8.4% and duration of five (5) years.

(d) Convertible notes

On 13 August 2018, the holders elected to convert the remaining convertible loan balance of \$1,942,000 into 8,172,117 new ordinary shares at the following terms:

- \$142,000 was converted into 747,368 new ordinary shares at the conversion price of \$0.19 per share;
- \$1,000,000 was converted into 4,347,826 new ordinary shares at the conversion price of \$0.23 per share;
- \$800,000 was converted into 3,076,923 new ordinary shares at the conversion price of \$0.26 per share.

(e) Banking facilities

As at 30 September 2018, the group had secured banking facilities limits with the ANZ Banking Corporation as follows:

	Commercial bill & loan	Asset finance	Overdraft	Bank guarantee	Corporate card	ePay	Total
	\$	\$	\$	\$	\$	\$	\$
30 September 2018							
Total facility limit	21,110,000	4,699,340	600,000	114,500	100,000	150,000	26,773,840
Less: amount used	(19,711,825)	(4,569,460)	-	(114,500)	-	-	(24,395,785)
Unused facilities	1,398,175	129,880	600,000	-	100,000	150,000	2,378,055

6 Borrowings (continued)

(e) Banking facilities (continued)

	Commercial bill & loan \$	Asset finance \$	Overdraft \$	Bank guarantee \$	Corporate card \$	Total \$
31 March 2018						
Total facility limit	19,534,000	4,675,000	600,000	80,000	50,000	24,939,000
Less: amount used	(4,334,800)	(2,809,974)	-	(80,000)	(20,739)	(7,245,513)
Unused facility	15,199,200	1,865,026	600,000	-	29,261	17,693,487

7 Contributed equity

	30 September 2018 Shares	31 March 2018 Shares	30 September 2018 \$	31 March 2018 \$
Fully paid ordinary shares	105,105,335	96,790,360	19,976,954	17,984,954

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movements in share capital

Details	Number of shares	Amount (\$)
Balance 1 April 2017	77,546,578	11,701,104
Share issue via private placement in March 2018	19,243,783	6,735,324
Transaction costs relating to share issue	-	(451,474)
Balance 31 March 2018	96,790,361	17,984,954
Share issue to a director	142,857	50,000
Share issue from conversion of convertible notes	8,172,117	1,942,000
Balance 30 September 2018	105,105,335	19,976,954

(i) Transaction costs relating to share issues

Under AASB 132, incremental costs that are directly attributable to issuing new shares should be deducted from equity.

8 Business combination

(a) Summary of acquisition

On 16 April 2018, the Group completed the acquisition of 100% of equity interest in Austco Polar Cold Storage, a cold storage facility located in Laverton North, in Melbourne west.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$
Purchase consideration (refer to (b) below):	
Cash paid (including \$340,000 of deposit paid in prior period)	<u>3,078,895</u>
The assets and liabilities recognised as a result of the acquisition are as follows:	
	Provisional value \$
Prepayment	136,861
Plant and equipment (*)	4,634,129
Accruals	(16,783)
Provision for employee benefits	(675,656)
Net identifiable assets acquired	<u>4,078,551</u>
Less: Gain on purchase	(999,656)
Net assets acquired	<u>3,078,895</u>

(*) An independent valuer was engaged to determine the fair value of the assets transferred.

(i) Revenue and profit contribution

The acquired business contributed revenues of \$5,665,718 and net profit of \$757,070 to the Group for the period from 16 April 2018 to 30 September 2018.

If the acquisition had occurred on 1 April 2018, the contribution to the group's consolidated revenue and consolidated profit for the half-year ended 30 September 2018 would have been \$6,137,862 and \$820,159 respectively.

(b) Purchase consideration - cash outflow

Acquisition-related costs

Acquisition-related costs of \$681,652 are included in transaction expenses on the consolidated statement of profit or loss and other comprehensive income, and in operating cash flows in the consolidated statement of cash flows in both reporting period half-year ended 30 September 2018 and year ended 31 March 2018.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

9 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

10 Share-based payments

(a) Employee Option Plan

The following share-based payment arrangement were in existence at balance date:

	2018 Average exercise price per share option	Number of options
As at 1 April	0.39	2,000,000
Granted during the year	0.48	1,000,000
As at 30 September	0.42	3,000,000
Vested and exercisable at closing balance 30 September	0.42	682,800

No options expired during the period covered by the above table.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 September 2018	Share options 31 March 2018
31 October 2017	30 October 2020	0.395	2,000,000	2,000,000
13 June 2018	12 June 2021	0.480	500,000	-
13 August 2018	12 August 2021	0.480	500,000	-

Weighted average remaining contractual life of options outstanding at end of period 2.57

Options are vested in monthly increments over 36 months over the life of the option from date of issue and linked to continuing employment at the company.

Fair value of options granted

The model inputs for options granted during the half-year ended 30 September 2018 are summarised in the table below:

Grant date	Exercise price	Number of options granted	Expected share price volatility	Years to expiry	Dividend yield	Risk-free interest rate	Fair value at grant date per option
13-Jun-18	0.480	500,000	60%	3	Nil	2.18%	0.089
13-Aug-18	0.480	500,000	60%	3	Nil	2.06%	0.083
		1,000,000					

Wingara AG Limited
Directors' declaration
30 September 2018

In the directors' opinion:

- (a) the interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2018 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Gavin Xing
Director
31 October 2018

Wingara AG Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Wingara AG Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 30 September 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wingara AG Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2018 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Responsibilities of the Directors for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 30 September 2018 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

As the auditor of Wingara AG Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'William Buck'.

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

A handwritten signature in blue ink, appearing to be 'N. S. Benbow'.

N. S. Benbow
Director

Dated this 31st day of October 2018