



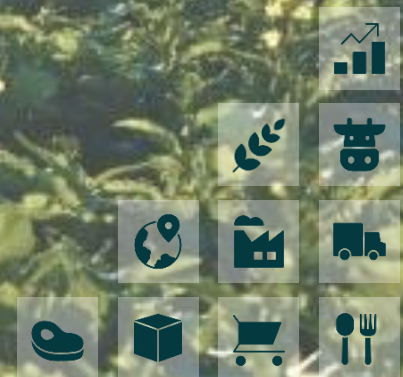
We efficiently connect primary producers to the global market through our protein supply chain platform

## Q1 FY21 Presentation

**“Strong growth in quarter cash receipts, up 31% to over \$10m”**

**Gavin Xing, Chief Executive Officer**

27 July 2020



# Strong increase in Q1 cash receipts supports growth investment

- Q1 FY21 cash receipts reached \$10.02m, up 31.3% up vs Q1 FY20
- Revenue growth is on comparable momentum and reached \$20m+ for the 6-months ending 30 June 2020
- Operating net cash outflow for the quarter of \$(0.02)m is a direct result of inventory build-up to meet our committed sales in FY21
- JC Tanloden continues to benefit from the Raywood facility with output up 45% to 12KT (vs Q1FY20).
- JC Tanloden's output is expected to continue in Q2 FY21 before the new harvest season in Q3 and Q4, where we are expecting a stronger harvest season based on current rainfall in Victoria
- Austco Polar Cold Storage has seen a drop in blast volume by 16% to 410K (vs Q1FY20) due to the global economic impact of COVID-19 as well as re-stocking of lamb/cattle post the draught, but we are expecting a good season ahead in Victoria
- Appointment of David Christie as a Non-executive Director, and resignation of Mark Hardgrave

**We have clear visibility on several exciting opportunities to enhance Wingara AG's organic growth trajectory and leverage the agricultural infrastructure platform we have built.**

# Enabling Australian agricultural products to reach end markets

- WNR's business model:
  - ❖ Owns and manages critical export infrastructure assets within the protein supply chain
  - ❖ Tolling revenue model based on throughput
  - ❖ Capitalise on our global trading network
  - ❖ Partnership with primary producers with a greater access to products for export
  - ❖ Diversification through multi-products
- WNR's mission is to enable products to reach end consumers efficiently and securely, with provenance
- WNR's growth strategy is to build a supply chain platform based on acquisition and organic growth
- The company has established two business divisions based on our growth strategy: Fodder (JC Tanloden) and Red Protein Export Service (Austco Polar)



**Business Model:** Processor and marketer of fodder products including oaten, wheaten, barley, canola hay and straw

**Assets:** Two sites; Epsom & Raywood, Victoria providing a combined 110,000 MT processing capability and 30,000 MT storage capacity

**Markets:** China, Taiwan, Japan and Korea (Key clients include Yili, MengNiu, Fonterra, Bright Holstein, Zenoh, Kanematsu)

**JC Tanloden Revenue**  
FY20: \$21.7m  
FY19: \$16.8m



**Business Model:** Value-add and logistic services for red meat export including blast freezing and cold storage

**Assets:** Laverton, VIC across 1 Hectare. Blast freezing throughput of 45,000 packs per week plus storage capacity of 10,000 standard size pallets

**Markets:** Export accredited to key destinations including China, Japan, Korea, EU, USA, Middle East (including Halal certification)

**Austco Polar Revenue**  
FY20: \$13.3m  
FY19: \$12.4m



# Revenue run-rate growing to \$40m p.a.

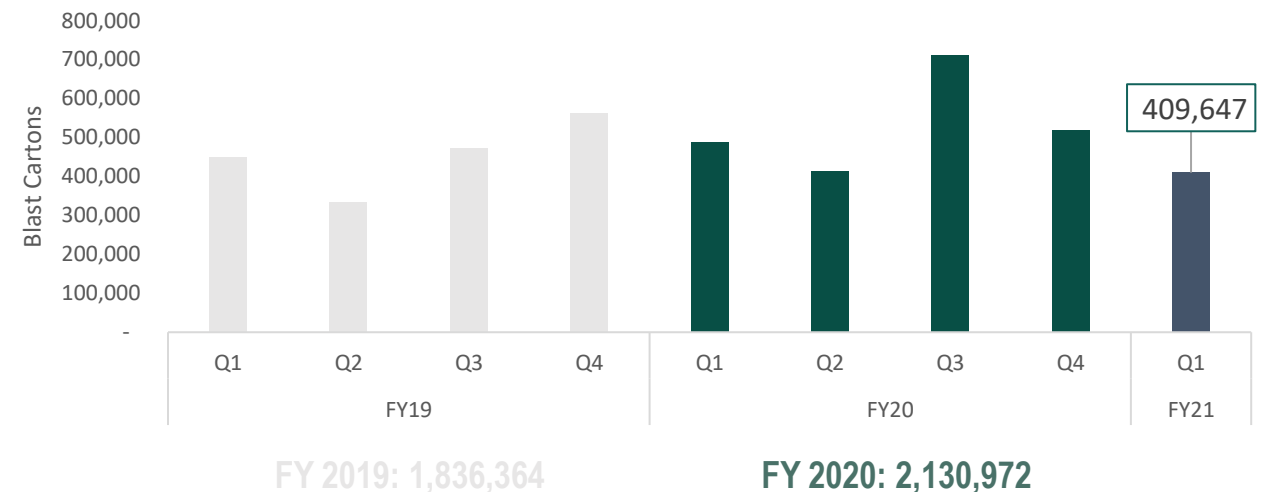
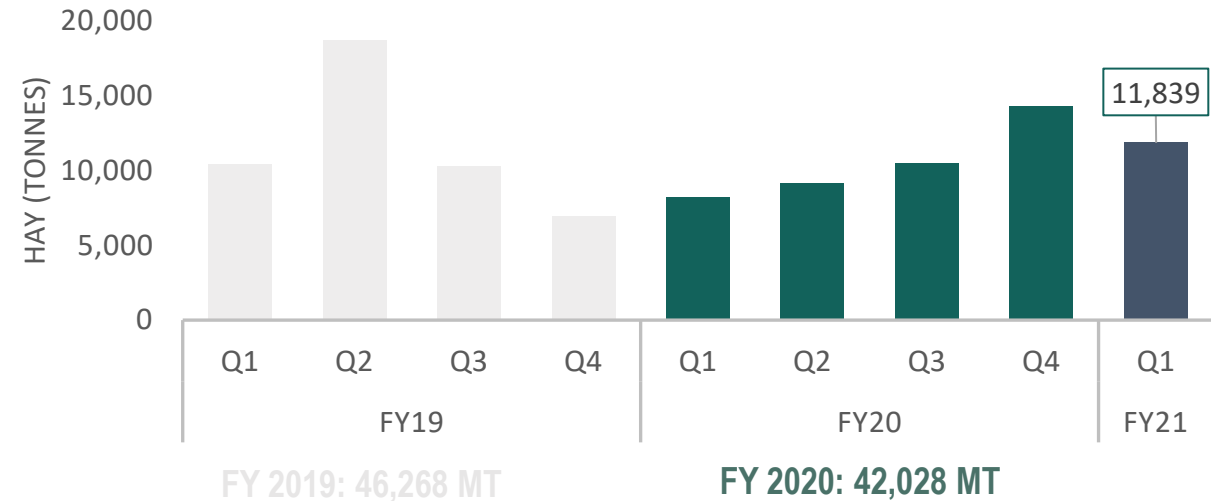
- Wingara's diversified asset investment model produced a solid Q1 FY21 result
- Amid COVID-19 challenges, current revenue run rate of \$40m p.a. is built on a base revenue of \$10.7m from just over 2 years ago in FY18
- Asset base of over \$50m with less than \$5m core debt reflects company's disciplined capital management
- Brown-field improvement at Epsom and greenfield development at Raywood positioned JCT as the largest Victorian fodder exporter in terms of capacity
- Return from Austco Polar is over 100% based on the last raising and profit has been reinvested into the business

Quarter end Financial Period	Jun-19 Q1 FY20	Sep-19 Q1 FY20	Dec-19 Q3 FY20	Mar-20 Q4 FY20	Annual Total FY 2020	<i>Jun-20</i> <i>Q1 FY20</i>
Receipts from customers (\$m)	7.63	8.13	9.34	10.58	35.68	<b>10.02</b>
Net Cash From Operating Activities (\$m)	1.93	1.09	-1.13	-0.32	1.58	<b>-0.02</b>
JCT fodder throughput (MT)	8,175	9,125	10,449	14,279	42,028	<b>11,839</b>
JCT fodder inventory (MT)	8,981	2,434	18,515	15,777		<b>16,278</b>
Austco Blast freezing cartons	488,852	412,492	712,118	515,510	2,130,972	<b>409,647</b>

- YoY quarterly revenue growth, and the redeployment of profits from the sale and lease back of Austco Polar, allowed hay inventory volume to increase 81% (vs Q1 FY20) to meet demand
- Business planning and hay accumulation contracting for next harvest season (October to February) is well underway with the objective to improve capacity utilisation from the current 50% to 70-75% based on 110,000 MT processing capacity
- Victoria is showing positive signs of a strong lamb season post re-stocking and we are working with key clients to plan for the coming season

# Q1 FY21 performance

- Focus for Q1 FY21 was consistency as well as re-stocking of inventory anticipating potential COVID-19 related logistic interruptions
- JC Tanloden's output was slightly affected by changing / delay in ship liners' scheduling due to COVID-19
- Overall export demand is solid, with China in particular showing signs of recovery post its economy re-opening after COVID-19
- Historically, Q1 ending June for Austco Polar sees less volume from the peak in Q3 due to the slowdown in lamb exports. Nonetheless, volume was affected by COVID-19 in key global markets
- With the closure of various processing facilities in Victoria due to COVID-19, Q2 FY21 is expected to have similar blast volumes



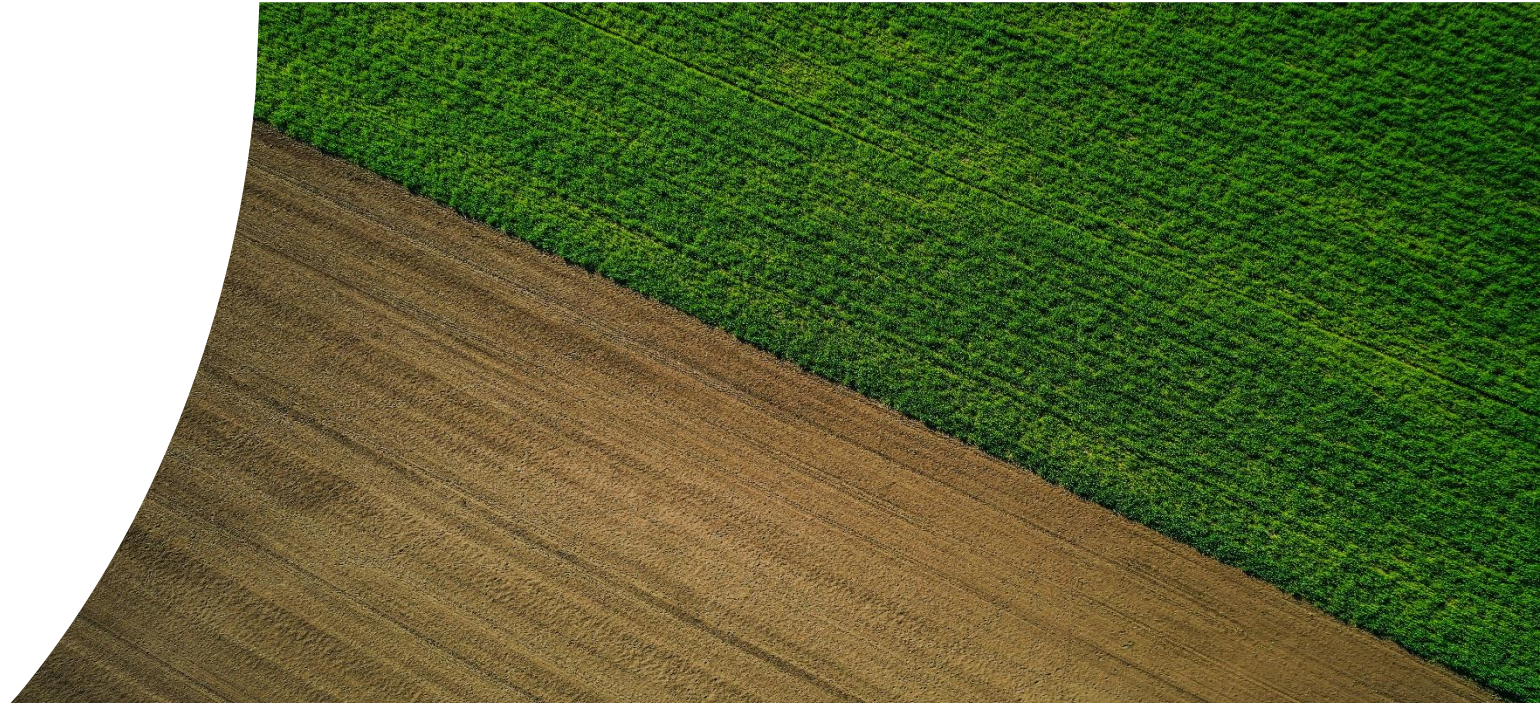
# Driving growth amid COVID-19

- Q1 FY21 continues the momentum from Q4FY 20 with customer receipts were up 31.3% to \$10.02m (Q1 FY2020: \$7.63m)
  - Growing cash receipts used for debt reduction and investment in restocking inventory to maintain revenue growth
  - Disciplined investment approach from management delivered a solid infrastructure platform in protein supply chain
  - A balanced AUD and USD cashflow profile to mitigate earning impact
  - Business interruptions were caused through the slowdown at ports, reduction in scheduled services by shipping lines and impact to our export clients at Austco Polar
  - Connectivity with offshore clients are strong despite travel restrictions
- No Government support related to COVID-19 (such as JobKeeper) has been relied upon with proactive risk management procedures have been implemented to minimise disruption to WNR since late Feb 2020
- Substantial output capacity at JC Tanloden to be capitalised to drive further revenue increase based on offshore demand
- Austco Polar's asset base is ready be tapped into for the global protein trading platform

**Overall business is benefitting from management's commitment to develop a diversified customer base amid the current COVID-19 pandemic. Trading activities are largely expected to continue as normal, absent any unanticipated external shocks.**



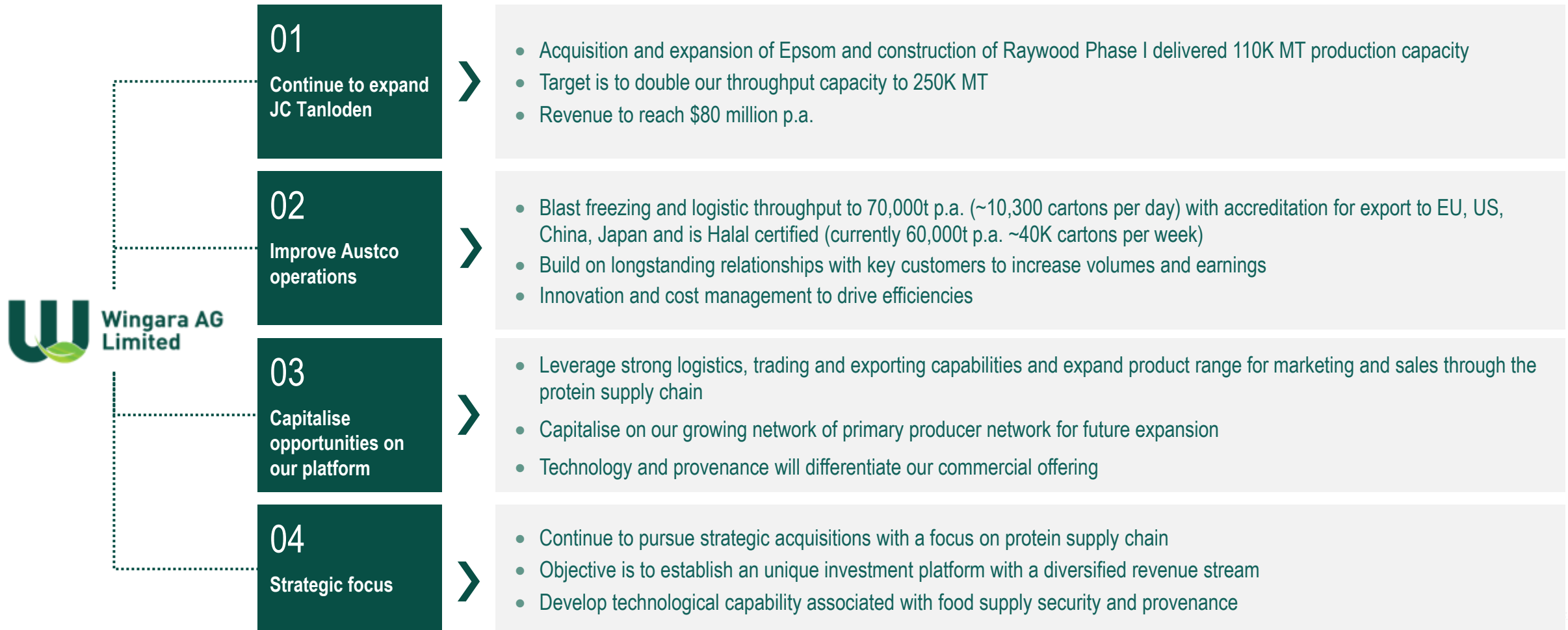
# Strategy and market potential





# WNR's strategy

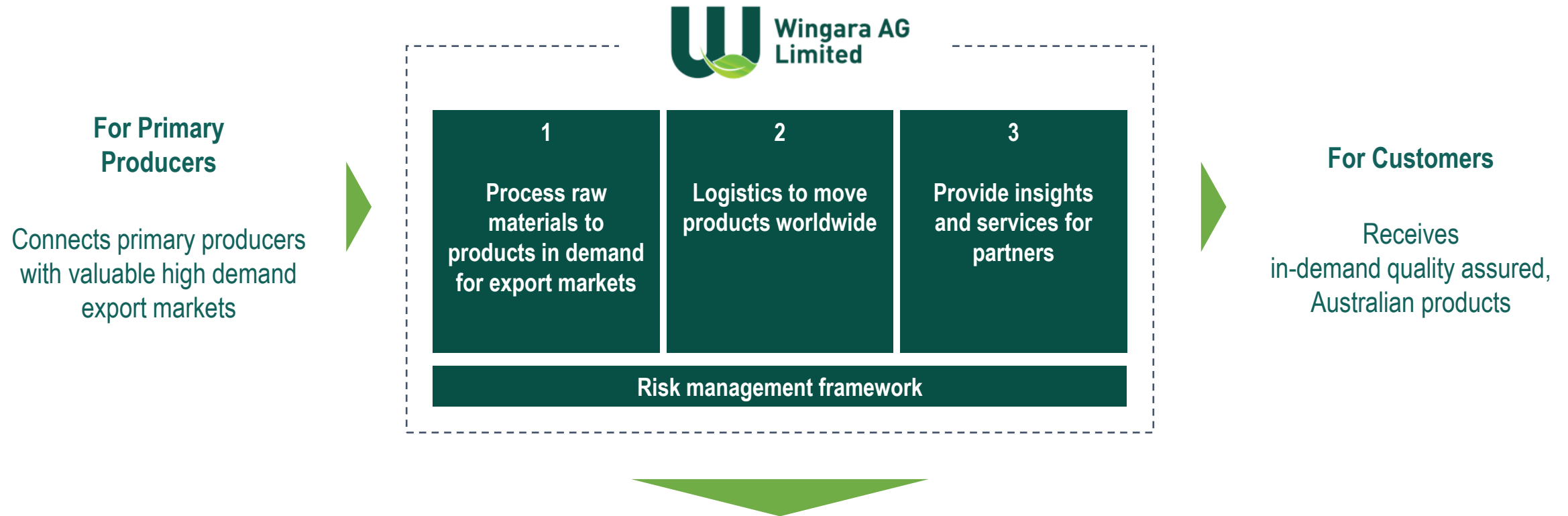
Wingara is well positioned to capitalise on expected increased customer demand over the next 5 years





# A diversified agricultural products platform

WNR has built a sustainable platform for processing and marketing agricultural products – more products can be added at the appropriate time



- A highly scaleable model that unlocks value in Asian export markets
- Ability to capitalise on opportunities in the 'protein supply chain' that meet Asian demand characteristics which are driven by the need for increased 'food security'

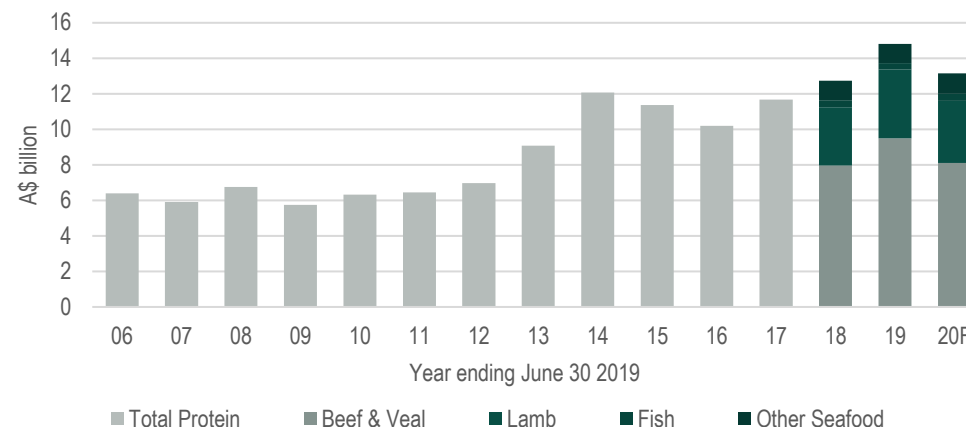
# WNR's markets

JC Tanloden and Austco Polar form key parts of the Australian agriculture industry's supply chain and export capabilities for protein and fodder products – both which have grown significantly over the past 5 years

- **Export markets for proteins & fodder: \$13 billion annually** (from \$9 billion 5 years ago)
- **Oaten hay demand from China: 1.5 – 2 million MT per annum** (accelerating in the past 5 years and cannot be met in Australia alone)
- **Australia's brand strength has increased share of production for fodder:** Product traceability, quality and lack of contamination underpin the favourable reputation of Australian agricultural exports leading to major export expansion.
- **Oaten hay is a desirable export product:** Australian producers primarily export oaten hay, which improves milk production. Oaten hay has high demand worldwide as a reliable, high quality fodder that meets stringent animal production requirements.
- **Wingara advantage:** Under the Free Trade Agreement with China, only oaten hay from Australia is allowed to be imported



Australian Protein Exports



Oaten Hay Export Demand



Source: Company websites, WNR management estimates, Australian Fodder Industry Association

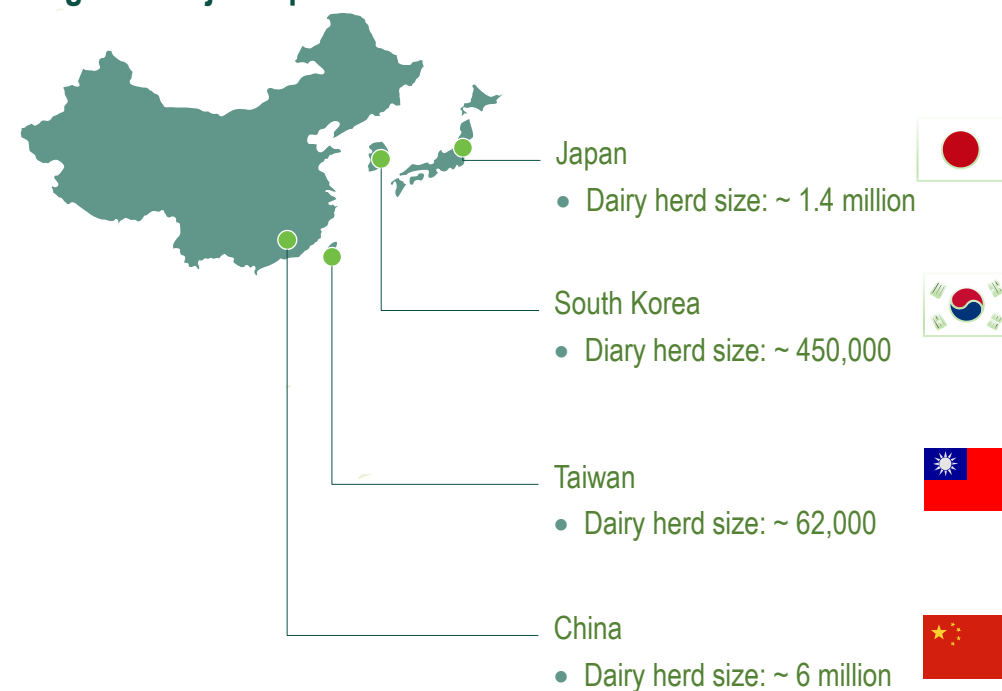
# JC Tanloden – services and key markets

- Original business was one of the first fodder exporter from Victoria with a 30 years history
- We purchase, process and transport our high quality produce to our domestic and global customers
- Revenue is generated via a tolling model where fees charged are dependent on the grade of the hay. Typically consistent in terms of margin which is based on a cost-plus structure.

## Services Provided

Hay Accumulation	Processing	Logistics
<ul style="list-style-type: none"><li>• Supply sourced from more than 2,000 farmers over 100,000km<sup>2</sup> throughout Victoria</li><li>• Purchase typically occur during November – January</li><li>• Current storage capacity of 30,000 MT</li><li>• Storage capability of up to 3 years</li></ul>	<ul style="list-style-type: none"><li>• Quality control testing on new hay deliveries</li><li>• Compress bales to reduce size by 50%</li><li>• Repackaging and fumigation</li><li>• Current processing capacity of 110,000t per annum</li></ul>	<ul style="list-style-type: none"><li>• Domestic and interstate markets</li><li>• Offshore freight to key markets including China, Taiwan, South Korea and Japan</li></ul>

## Wingara's major export destinations





# Austco Polar – services and key markets

Established in 1987, Austco Polar Cold Storage owns and operates a cold storage facility which specialises in temperature controlled facilities, blast freezing, storage and distribution for domestic and international clients. Key clients account for over 30% of VIC meat production

## Services Provided

### Storage & Handling

- Receive containers and store products
- Complete exporters documentation and product selection
- Load domestic and export containers with frozen product

### Blast Freezing

- Blast freeze product; extends shelf life from 12 weeks to up to 3 years
- Process capacity of 40K cartons per week

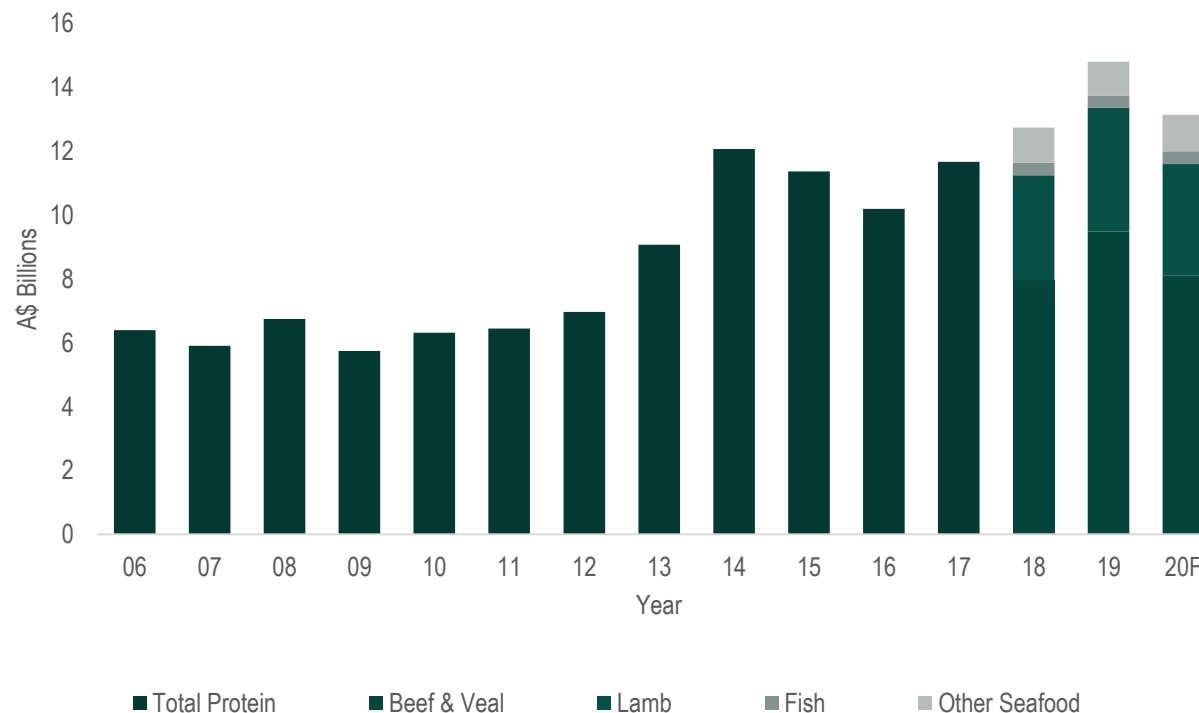
### Tenancy

- Chillers and freezers occupied by various food suppliers on long term contracts
- Average tenure of clients of 5 years

## Revenue Model

- Service oriented to cover fixed costs
- Tolling based on volume to key exporters
- Cost plus arrangement
- Seeing steady growth in demand
- Rent revenue charged monthly based on freezer space
- Mitigates revenue profile and meets fixed cost in winter periods

## Australian Protein Exports



Source: Meat & Livestock Australia

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We connect primary producers to the global market  
efficiently through our protein supply chain.

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