

ASX Announcement

31 August 2021

Wingara announces Entitlement Offer to fund growth strategy

Wingara AG Limited (ASX: WNR, **Wingara** or **the Company**) today announces that is undertaking a 7 for 10 accelerated pro rata non-renounceable entitlement offer, to raise gross proceeds of up to approximately \$10.22 million (**Entitlement Offer**).

Purpose of Entitlement Offer

In the last seven months, Wingara has undertaken a major transformation within its leadership and senior management team, establishing a new, experienced and independent Board, a new Chief Executive Officer and a new Chief Financial Officer. There is a new focus throughout the business on corporate governance and compliance, enhancing visibility to shareholders and defining the most appropriate pathway to profitability and significant business growth.

JC Tanloden holds approximately 8% market share¹ of the Australian cereal hay export market, and its expansion in international market share is growing significantly. New markets beyond the traditional hay export market destinations of Japan, Taiwan, Korea and China are also emerging, elsewhere in Asia and in the Middle East.

JC Tanloden is responding to this strong demand by focusing on lifting productivity. In addition to the 56% increase in production volumes over the 12 months ended 31 March 2021 (FY21), JC Tanloden is forecasting another substantial lift in FY22. This will be achieved by continuing with a 24-hour, 7 day a week operation at the Raywood site and improved plant uptime and reliability as a result of a modest capital investment and a structured and focused engineering and maintenance team. The business has also accessed and installed another hay press at Raywood that will increase capacity by 30,000 MT per annum.

As announced on 24 August 2021, after completing a strategic review of Austco Polar, the Company is undertaking a structured sale process of Austco Polar to free up capital and resources to focus on JC Tanloden's multiple attractive growth opportunities. Until this process is complete, the business will continue to be managed with an emphasis on safety and operational improvement.

Funds raised under the Entitlement Offer will be used to support production growth and to equip the business with the capability to pursue opportunities to grow JC Tanloden, specifically for:

- investment in current infrastructure
- purchase of additional hay inventory to match increased machinery uptime
- investment in the operations of an additional hay press
- growth capital for inorganic growth and costs of the Entitlement Offer.

Commenting on the Entitlement Offer, Wingara's Chief Executive Officer James Whiteside said:

"Wingara's refreshed Board and management team see significant growth opportunities in the JC Tanloden hay export business, with demand from export customers exceeding current production capacity. We aim to become

¹ Source: Jumbuk, UN Comtrade, internal Company analysis

a leading oaten hay exporter and ultimately an agri-export platform in Australian primary produce, with the next step on that journey being a further uplift in hay production capacity.

“As a business supported by fixed assets and inventory, executing on the opportunities in front of us requires investment. The capital raising being undertaken will provide the funds necessary to secure additional hay at attractive current season pricing, drive an increase in capacity from existing infrastructure and support the operation of an additional hay bailing machine, with each of these initiatives geared towards production growth.”

Details of the Entitlement Offer

Eligible shareholders under the Entitlement Offer will be able to subscribe for 7 New Shares for every 10 Shares held (**Entitlements**) at the Record Date. For each New Share issued, there is 1 free unlisted non-tradeable option with an expiry date of 31 December 2023 and an exercise price of \$0.17.

The Entitlement Offer Price of \$0.11 represents a

- 15.4% discount to the last closing price of Wingara on ASX on Friday 27 August 2021 of \$0.13
- 9.7% discount to the theoretical ex-rights price (TERP)².

Eligible institutional shareholders will be entitled to participate in the **Institutional Entitlement Offer** taking place today, Tuesday 31 August 2021. Eligible institutional shareholders can choose to take up all, part or none of their Entitlements. Entitlements that institutional shareholders do not take up by close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will form part of any Shortfall.

Eligible retail shareholders in Australia and New Zealand will be entitled to participate in the **Retail Entitlement Offer** at the same Offer Price (\$0.11) and offer ratio (7 for 10) as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on 7 September 2021 and close on 15 September 2021.

Further details about the Entitlement Offer are set out in the Prospectus to be lodged with ASX and dispatched to shareholders on 7 September 2021. The Prospectus will also enclose personalised entitlement and acceptance forms for eligible retail shareholders.

Entitlements and the options attaching to New Shares cannot be traded on ASX or transferred. Eligible retail shareholders who do not take up their Entitlements, in full or in part, will not receive any value in respect of those Entitlements not taken up. Entitlements that retail shareholders do not take up by close of the Retail Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible retail shareholders, will form part of any Shortfall.

The Board retains discretion with regard to any placement of any Shortfall in respect of the Offers.

The Entitlement Offer is not underwritten. Wingara’s corporate adviser in relation to the Entitlement Offer was Market Eye Pty Ltd.

² Theoretical ex-rights price (TERP) includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Wingara shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. The TERP has been calculated by reference to Wingara’s closing price of \$0.13 on 27 August 2021.

Timetable

Event	Date
Institutional Entitlement Offer conducted	31 August 2021
Announcement of results of Institutional Offer	1 September 2021
Trading halt lifted	1 September 2021
Trading recommences on an ex-entitlement basis	1 September 2021
Record Date for the Retail Entitlement Offer	5:00pm on 1 September 2021
Settlement of Institutional Entitlement Offer	2 September 2021
Quotation of Shares issued under the Institutional Entitlement Offer	6 September 2021
Prospectus despatched to Shareholders	7 September 2021
Retail Entitlement Offer opens	7 September 2001
Last day to extend Retail Entitlement Offer closing date	13 September 2021
Retail Entitlement Offer closes	15 September 2021
Announcement of results of Retail Entitlement Offer	20 September 2021
Settlement of the Retail Entitlement Offer	22 September 2021
Quotation of Shares issued under the Retail Entitlement Offer	23 September 2021
Expected despatch of holding statements for retail holders	28 September 2021

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST). The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules, and other applicable laws.

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

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For further information please contact:

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About Wingara AG Limited:

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

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

For further information, please visit: <https://wingaraag.com.au/>