

**ASX Announcement**

31 January 2020

## WINGARA 4C COMMENTARY

### Q3, FY20 Highlights

Wingara AG Limited (“Wingara” or “the Company”) owns and operates value-add, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets through two business: JC Tanloden (JCT), and Austco Polar Cold Storage (APCS). Wingara is pleased to provide its 4C report demonstrating a continued organic growth trajectory.

|   | Q1 FY19   | Q2 FY19   | Q3 FY19   | Q4 FY19   | Q1 FY20   | Q2 FY20   | Q3 FY20   |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | 30 Jun 18 | 30 Sep 18 | 31 Dec 18 | 31 Mar 19 | 30 Jun 19 | 30 Sep 19 | 31 Dec 19 |
| <b>Receipts from customers</b>            | \$6.05m   | \$8.78m   | \$8.45m   | \$6.69m   | \$7.63m   | \$8.13m   | \$9.34m   |
| <b>Net cash from Operating activities</b> | \$1.03m   | \$2.02m   | (\$1.10m) | (\$3.20m) | \$1.93m   | \$1.09m   | (\$1.13m) |
| <b>Hay volumes MT (JCT)</b>               | 10,421    | 18,695    | 10,257    | 6,895     | 8,175     | 9,125     | 10,449    |
| <b>Blast cartons (Austco)</b>             | 448,435   | 334,044   | 471,237   | 562,648   | 488,852   | 412,492   | 712,118   |

In summary, the following key highlights have contributed to an overall improvement to the Company’s results:

- **Receipts from customer:** Continued growth in customer receipts driven by both the JCT and APCS businesses. We expect a similar trend in the 4<sup>th</sup> quarter.
- **APCS:** Significant increase in blast cartons driven by client demand due to timing of Christmas and Lunar New Year. We project volumes in excess of 450k cartons in the next quarter based on the same period in the previous year.
- **JCT:** The Wingara grower catchment area has experienced favourable weather conditions this season with above average volumes and consistent export quality. Delivery of new season hay inventory commenced during Q3 with Epsom and Raywood sites having received in excess of 26k MT. Both export and domestic demand continues to remain strong with 2.5k MT, 3.7k MT, and 4.3k MT processed during October, November and December respectively.
- **Capital expenditure:** Continued investment in the business through capital expenditure during the quarter has seen significant improvements in APCS blast freezing efficiency; and further enhancement to our hay press machinery.

Wingara continues its growth strategy to build a sustainable platform for processing and marketing agricultural products. The primary focus being the dairy and meat sectors. Wingara differentiates itself through a reputation for high-quality service to both our primary producers and Asian importer end-customers.

The Appendix 4C continues

**For further information 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.

**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, including those risks or uncertainties inherent in the process of both developing and commercialising technology. 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.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Wingara AG Ltd

**ABN**

58 009 087 469

**Quarter ended ("current quarter")**

31 December 2019

| Consolidated statement of cash flows                      |  | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|--|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |  |                            |                                       |
| 1.1 Receipts from customers                               |  | 9,340                      | 25,096                                |
| 1.2 Payments for  |  |                            |                                       |
| (a) research and development                              |  | -                          | -                                     |
| (b) product manufacturing and operating costs             |  | (2,819)                    | (6,989)                               |
| Hay purchases   |  | (3,510)                    | (5,768)                               |
| (c) advertising and marketing                             |  | (22)                       | (76)                                  |
| (d) leased assets   |  | (673)                      | (1,276)                               |
| (e) staff costs   |  | (3,080)                    | (7,664)                               |
| (f) administration and corporate costs                    |  | (242)                      | (643)                                 |
| 1.3 Dividends received (see note 3)                       |  | -                          | -                                     |
| 1.4 Interest received                                     |  | 5                          | 5                                     |
| 1.5 Interest and other costs of finance paid              |  | (116)                      | (785)                                 |
| 1.6 Income taxes paid                                     |  | (5)                        | (5)                                   |
| 1.7 Government grants and tax incentives                  |  | -                          | -                                     |
| 1.8 Other (provide details if material)                   |  | (4)                        | (1)                                   |
| <b>1.9 Net cash from / (used in) operating activities</b> |  | <b>(1,126)</b>             | <b>1,894</b>                          |
| <b>2. Cash flows from investing activities</b>            |  |                            |                                       |
| 2.1 Payments to acquire:                                  |  |                            |                                       |
| (a) property, plant and equipment                         |  | (620)                      | (1,392)                               |
| (b) businesses (see item 10)                              |  | -                          | -                                     |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) intellectual property                             | -                          | -                                     |
|                                      | (e) other non-current assets                          | -                          | -                                     |
| 2.2                                  | Proceeds from disposal of:                            |                            |                                       |
|                                      | (a) property, plant and equipment                     | -                          | 21,028                                |
|                                      | (b) businesses (see item 10)                          | -                          | -                                     |
|                                      | (c) investments                                       | -                          | -                                     |
|                                      | (d) intellectual property                             | -                          | -                                     |
|                                      | (e) other non-current assets                          | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                   | (50)                       | (50)                                  |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(670)</b>               | <b>19,586</b>                         |

|             |   |              |                 |
|-------------|---|--------------|-----------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |              |                 |
| 3.1         | Proceeds from issues of shares  | -            | -               |
| 3.2         | Proceeds from issue of convertible notes                                    | -            | -               |
| 3.3         | Proceeds from exercise of share options                                     | -            | -               |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | (40)         | (40)            |
| 3.5         | Proceeds from borrowings  | -            | -               |
| 3.6         | Repayment of borrowings   | (410)        | (19,694)        |
| 3.7         | Transaction costs related to loans and borrowings                           | -            | -               |
| 3.8         | Dividends paid  | -            | -               |
| 3.9         | Other (provide details if material)   | (110)        | (205)           |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>(560)</b> | <b>(19,939)</b> |

|           |  |         |          |
|-----------|--|---------|----------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |          |
| 4.1       | Cash and cash equivalents at beginning of quarter/year to date               | 4,556   | 664      |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (1,126) | 1,894    |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (670)   | 19,586   |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | (560)   | (19,939) |

| Consolidated statement of cash flows |  | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held  | (9)                        | (14)                                  |
| 4.6                                  | <b>Cash and cash equivalents at end of quarter</b> | <b>2,191</b>               | <b>2,191</b>                          |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 2,191                      | 4,556                       |
| 5.2 | Call deposits  |                            |                             |
| 5.3 | Bank overdrafts*   |                            |                             |
| 5.4 | Other (provide details)  |                            |                             |
| 5.5 | <b>Cash and cash equivalents at end of quarter</b> (*Amount excludes bank overdraft of \$13k which is shown as current liability)                                    | <b>2,191</b>               | <b>4,556</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter<br>\$A'000 |
|----------------------------|
| 162                        |
| -                          |

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter<br>\$A'000 |
|----------------------------|
| -                          |
| -                          |

| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  | 9,623   | 8,870  |
| 8.2 Credit standby arrangements  | 80  | 80   |
| 8.3 Other (please specify)   | 40  | -  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

| Facility                                       | Facility Limit<br>(\$,000) | Drawdown<br>(\$,000) | Interest Rate |
|--|----------------------------|----------------------|---------------|
| Inventory Loan Facility                        | 5,000                      | 5,000                | BBSY + 1.46   |
| Asset finance facility                         | 1,414                      | 1,247                | 4.94%         |
| Bank overdraft                                 | 600                        | 13                   | 6.84%         |
| Standby Letter of Credit or Guarantee Facility | 80                         | 80                   |               |
| Westpac Facility - Elect Performance Group     | 2,610                      | 2,610                | BBSY + 1.80   |
| Corporate Card                                 | 40                         | -                    |               |
| <b>Totals</b>                                  | <b>9,743</b>               | <b>8,950</b>         |               |

| 9. <b>Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Research and development                       |                |
| 9.2 Product manufacturing and operating costs      | (4,000)        |
| 9.3 Advertising and marketing                      | (50)           |
| 9.4 Leased assets                                  | (600)          |
| 9.5 Staff costs                                    | (2,400)        |
| 9.6 Administration and corporate costs             | (500)          |
| 9.7 Other (provide details if material)            |                |
| <b>9.8 Total estimated cash outflows</b>           | <b>(7,550)</b> |

| 10. <b>Acquisitions and disposals of business entities<br/>(items 2.1(b) and 2.2(b) above)</b> | <b>Acquisitions</b> | <b>Disposals</b> |
|--|---------------------|------------------|
| 10.1 Name of entity  |                     |                  |
| 10.2 Place of incorporation or registration  |                     |                  |
| 10.3 Consideration for acquisition or disposal   |                     |                  |
| 10.4 Total net assets  |                     |                  |
| 10.5 Nature of business  |                     |                  |

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 31/01/2020...

Print name: Zane Banson.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.