

ASX Announcement

22 June 2022

WINGARA AG LIMITED ANNOUNCES THE SALE OF AUSTCO POLAR COLD STORAGE TO AP COLD STORAGE**Highlights**

- **Austco Polar Cold Storage Pty Ltd (“APCS”), a subsidiary of Wingara AG Ltd, has been sold.**
- **The Purchasers are AP Cold Storage Pty Ltd (ACN 659 638 678) and Sui Garden Pty Ltd (ACN 653 848 376) (together “AP Cold Storage” or “Purchasers”), who have a number of cold storage and food manufacturing interests.**
- **The Purchasers have signed binding agreements for the sale of APCS.**
- **The sale of APCS marks the end of an asset divestment process announced on 24 August 2021.**
- **The Purchasers will continue to provide blast freezing and cold storage services to APCS’s existing client base and will look to further develop the site over time.**

Wingara AG Limited (ASX:WNR) (“**Wingara**” or the “**Company**”) today announces that it has found purchasers, AP Cold Storage Pty Ltd and Sui Garden Pty Ltd (together “**AP Cold Storage**” or “**Purchasers**”), who have entered into binding agreements for the acquisition of Austco Polar Cold Storage Pty Ltd (“**APCS**”) (the “**Transaction**”).

Wingara is currently in suspension pending an outcome on ASX Listing Rule 11.1. The APCS Transaction is not the subject of the current suspension.

APCS will be sold to the Purchasers for cash consideration of approximately \$1.45 million¹ subject to a working capital adjustment.

The Purchasers are proprietary companies based in Sydney that share ultimate beneficial ownership. The acquisition of APCS marks a significant move by the Purchasers into the Victorian market.

Under the Transaction, the Purchasers will acquire APCS and assume responsibility for the lease of the APCS site from the landlord, Mapletree Investments Pte Ltd, a leading real estate development, investment, capital and property management company headquartered in Singapore.

The sale agreements contemplate the site continuing to provide a range of blast freezing and cold storage services to the current customer base, and requires that these agreements, as well as all necessary licences and service agreements, are taken over by the Purchasers. It is anticipated that the majority of the current employees will also be retained.

¹ comprising \$100,000 cash and \$1,350,000 cash for Wingara to satisfy retained working capital obligations of the Transaction.

Commenting on the Transaction, the Chief Executive Officer of Wingara, James Whiteside, said:

‘The company announced to the market on 24 August 2021 that it would commence a structured sales process to divest APCS as it considered the business non-core, and that it would seek further growth opportunities for its fodder export business, JC Tanloden. This transaction, facilitated by the broker engaged to manage the sales process, Bespoke Business Brokers, is the culmination of an exhaustive process to identify someone who would be able to develop the site beyond its current capacity and capability. We are delighted that we have been able to identify a buyer who is not only keen to continue to service our customers, but is also keen to invest in the future development of the site.’

Conditions of the Transaction

Completion of the Transaction will be subject to a number of conditions including:

- Completion of satisfactory due diligence by the Purchasers on APCS;
- Satisfaction of all mutual Conditions Precedent relevant to the Transaction;
- The successful transfer and/or retention of all relevant agreements, including the Lease with the Landlord; and
- Other conditions customary for a transaction of this nature.

Financial Impact of the Transaction

The sale of APCS will improve business performance of Wingara, freeing up Wingara to focus on the operations of JC Tanloden, deploy capital towards its main business operations and improve profitability metrics of the Group.

For the year ended 31 March 2022, APCS generated \$10.7m in revenue, an EBIT loss before significant items of \$1.3m and a net loss after tax and significant items of \$4.0m.

APCS had a deficiency in net assets of \$1.0m as at 31 March 2022.

Wingara expects to recognise a non-cash accounting profit on sale of approximately \$1.5m on the Transaction in FY23.

There will be no securities issued as part of the Transaction.

There will be no changes to the board or senior management of Wingara AG as part of the Transaction.

Timetable

The parties will work in good faith to achieve Settlement of the Transaction no later than 45 days from the date of this announcement, being 5 August 2022.

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

For further information contact:

James Whiteside
Chief Executive Officer
Ph: +61 (0) 418 560568

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.