

ASX Announcement

2 August 2023

Chair and CEO's Address to Shareholders

Wingara AG Limited (ASX:WNR) ('Wingara' or the 'Company'), presents the remarks of the Company's Chair and CEO, to be presented at the Wingara AG Limited Annual General Meeting today.

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

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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. 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.

Chair's Address

FY23 was a transformational year for Wingara, one in which the Board delivered its strategic objectives whilst working with agility to address ongoing operational challenges. I would like to summarise our achievements these last twelve months and will then ask Marcello Diamante, your CEO, to update you on the operational performance of the business.

We exited the Austco Polar Cold Storage business in September 2022 and refocused management towards our JC Tanloden (JCT) export fodder business with a target to improve profitability and rebuild our Balance Sheet position. Our first half performance for JCT was strong as we continued to benefit from strong demand for fodder in the Chinese market and the Board was confident we could leverage this position for the second half of the year. Unfortunately, environmental factors were against us as we saw unseasonably high rainfall events in our export fodder catchment area in October 2022, contributing to one of the worst flooding events on record in regional Victoria, followed by continued sporadic rains in November. This resulted in a substantial amount of Wingara's contracted hay being rain damaged.

In early November, James Whiteside tendered his resignation as Chief Executive Officer of Wingara. James led Wingara during a difficult period between 2020-22 and his focus on divesting Austco Polar Cold Storage left Wingara in a stronger position. We thank James for his efforts during his tenure.

Following James' departure, the Board identified a need for strong leadership with export fodder knowledge to navigate Wingara through this difficult period. Fortunately, we had an option in our current Board member Marcello Diamante, who previously operated JC Tanloden, and accepted the interim Chief Executive Officer role.

Marcello undertook a review of the operations with the management team. The decision was made to divest the Raywood facility, with the aim to reduce bank debt and free up cash to ride out what was becoming a challenging operating environment in the second half of the 2023 financial year.

Wingara management were able to negotiate the sale of the Raywood Facility, which was announced to the ASX in February 2023. The gross sale price of \$15 million to Balco Australia, represented a good return on the investment made by Wingara and confirms the strong long-term fundamentals in the export fodder industry. This transaction, completed in April 2023, resulted in Wingara repaying all bank debt, paying a dividend to its existing shareholders, and providing sufficient cash reserves to reinvest in its existing Epsom processing facility, in preparation for new hay season in October 2023. We thank Balco Australia for the speed, integrity and professionalism displayed during this sale process and wish them all the best in the future.

The Board can now confirm we are a debt-free listed entity and open to potential opportunities in the Agricultural sector. We will of course keep the market informed of further developments in this regard.

I would like to thank my fellow Board members for their support during the year. Both Brendan York and Marcello Diamante have been instrumental in steering Wingara to its now debt-free position. I would like to acknowledge the valuable contribution our recently departed CFO, Jae Tan had in this outcome and wish him the best in his future endeavours.

I would like to thank our Staff, JCT customers and the wide network of growers who supply us. This season has been challenging across the entire supply chain and the continual support we have received during this period is very much appreciated.

I'll hand over to Marcello, to provide some more detail on FY23 and the year ahead.

Thankyou.

CEO Address

Good morning everyone and thankyou David.

David has provided an excellent summary of the events of the 2023 year so rather than repeat this, I will use my time to provide a little more detail about our JCT Operations and provide some insight for the year ahead. I will not discuss the operating performance for Austco Polar Cold Storage, as this was managed and sold under previous management and is no longer relevant for the future of Wingara.

FY 2023 for JC Tanloden was a tale of two halves. JC Tanloden's first half performance was quite strong benefitting from 2022 Hay season stock. The second half, however, was impacted by environmental factors, in particular the unprecedented flooding events in JCT's catchment area across Victoria. This materially impacted the businesses operating performance negatively during the second half. As David noted, the October floods and continued sporadic rains in November resulted in a significant amount of Wingara's contracted hay being rain damaged and falling out of the export grade quality parameters. This shortage in supply of quality Oaten Hay lead to a 40% reduction in sales volume compared to the first half of the year.

Stepping into the Chief Executive Officer role in November 2022, I concluded that the underlying export hay business was sound, however it became apparent to me that we would not have enough export grade fodder to support two processing sites in Victoria. As explained by David, although Wingara's financial position did improve with the sale of Austco Polar Cold Storage, it still was not strong enough to ride out a challenging operating environment being faced by the export fodder industry across key markets of Victoria, South Australia and NSW. However, through conversations with industry participants during the year, we knew that we had great operating assets that were valuable to players wanting to gain a foothold in the Victorian export hay processing market. On this basis, we took the decision to rationalise our exposure in the Victorian export fodder processing market. This culminated in the successful negotiation and sale of the Raywood Site to Balco Australia, announced on 20 February 2023 and successfully completed post year end on 14 April 2023.

It was a difficult decision but ultimately the right one for our shareholders, staff and external stakeholders. The sale of Raywood resulted in Wingara being debt-free and freeing up cash to ride out what we were forecasting to be a tough year at the time. Since the transaction was announced, deterioration in operating performance of the export hay business has continued. In particular, trading conditions in our key markets of China, Japan and South Korea have deteriorated as customers struggled with unfavourable domestic economic conditions and the quality of hay being offered from Victoria; especially given oaten hay in WA was available in large quantities and most importantly, not weather damaged. This has resulted in lower processing volumes and discounting on our products to maintain customer relationships for the season ahead.

The sale of Raywood to Balco Australia has meant that we were able to keep redundancies to a minimum as the new owners were keen to retain as many of the existing staff as possible. We have retained key staff to operate the Epsom site and have used the sale as an opportunity to rebuild a strong customer delivery service culture. We continue to rebalance our staff across head office and the site to keep costs as low as possible. As part of the restructuring, we saw the departure of our CFO, Jae Tan and replacement with a part time CFO in Giuseppe (Joe) Rinarelli. I would also like to take this opportunity to thank Jae for his dedication and support during his time at Wingara and welcome Joe to the business.

The outlook for the next hay season is positive; with seasonal rain during the June quarter being favourable for oaten hay crops in our catchment area. Current expectations, based on conversations with our key suppliers, is that the new hay season should bring above average yields for oaten hay, This should put JC Tanloden in a good position to take advantage of a favourable 2024 hay season; weather permitting. In the meantime, our focus continues to minimise cash burn, optimise our cost structure across the supply chain, improve Epsom Site processing capability, reliability and safety, and prepare for the new season ahead.

I am optimistic about the future for Wingara. As David reiterated, we are a debt-free listed entity and open to potential opportunities in the Agricultural sector; whether it is the continued development within the export fodder industry or branching out into other areas within the Agriculture sector.

I would like to thank the Staff, Board and shareholders for their support in my time as Managing Director and Chief Executive Officer at Wingara. They have taken on the new challenges and opportunities with much enthusiasm and look forward to leading an aligned and focused team to increase shareholder value.

Thankyou.