

17 December 2019

WINGARA TRADING UPDATE

- **Substantial demand growth for Australian meat export after the start of the 2019/20 lamb season saw 30% increase in blast volume at APCS during October and November when compared to same period 2018**
- **Fodder harvest and contracting season is nearing completion with strong export demand of 55,000MT anticipated for between January to December 2020**
- **The platform's earning capability is positioned to capitalise on industry tailwinds in the coming years**

ASX Announcement (ASX Code: WNR)

Wingara AG Limited ("**Wingara**" or "**the Company**") is pleased to provide a trading update for the coming 12-month period from January to December 2020 for both JC Tanloden (JCT) and Austco Polar Cold Storage (APCS) post fodder harvest and start of the new lamb season.

JC Tanloden – Fodder Operations

JCT has secured 40,000MT of fodder products to-date, approximately 80% of its planned harvest purchasing program for the coming 12 months. The harvest period runs from October to late December each year which is overlapped by the contracting period (where the fodder is graded and priced) that extends to January in the following year. Final pricing and contract volume can only be confirmed after hay is baled, stored and tested. The fodder will be processed and sold consistently throughout the coming 12-month period.

The current harvest purchasing program is the first undertaken post commissioning of Phase-I of the Raywood processing facility that increased JCT's combined storage capacity to 30,000MT from 10,000MT and processing capacity to 110,000MT from 35,000MT.

Key highlights:

- Strong export fodder demand in excess of 55,000MT, especially our main product oaten hay.
- JCT has completed 80% of its fodder purchasing for the current harvest season, having secured approximately 40,000MT of fodder.
- The 40,000MT is to be processed and exported over the next 12 months whilst assessing options to secure additional supply to fulfil client demand.
- International fodder prices have settled to the level where the Company expects to achieve its long-term average operating margin of A\$80/t in terms of EBITDA before corporate costs.

Austco Polar Cold Storage – Blast Freezing / Cold Storage Operations

In anticipation of growing demand and on the back of co-ordinated planning with key clients, APCS completed capital works in August 2019 which has seen blast freezing capacity increase by more than 20% since acquiring the business in April 2018.

APCS has seen a strong start to the lambing season with increased volumes and reflects the recent estimate by Meat and Livestock Australia of China importing approximately 20,000 tonnes of Australian sheep meat in November 2019, up 57% on the same month last year. In 2019, China has imported a record 138,358 tonnes of Australian sheep meat, up 43% on 2018¹.

¹ Vernon Graham. *China charges way ahead in the race for Aussie lamb and mutton.*

<https://www.farmonline.com.au/story/6532350/its-like-a-broken-record-china-keeps-gobbling-up-our-lamb-and-mutton/>

Key highlights:

- New blast freezing capacity completed six-months ago has already been fully utilised by existing customer base.
- APCS processed more than 455,000 cartons in October and November 2019 combined (+30%) compared approximately 350,000 cartons in the comparable period in 2018.
- APCS is expecting total blast freezing volume increase for the coming 12 months will continue.
- APCS's annualised EBITDA and operating cashflow is expected to be more than \$2.75 million before corporate costs over the next 12 months.

CEO of Wingara, Gavin Xing commented, *"2019 has been a year of transformation for Wingara's platform in terms of asset and capital base. Asset quality for both JCT and APCS has seen substantial improvement in terms of cashflow generating capacity. The following years will see the realisation of that investment with material supply capacity now able to capitalise the persistent demand from our key Asian markets, especially China, Japan and South Korea"*.

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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.