

**ASX Announcement**

 19<sup>th</sup> February 2019

**WINGARA TRADING AND GUIDANCE UPDATE**

Following the end of the calendar year Wingara AG Limited (“Wingara” or “the Company”) is today providing a trading and guidance update.

**Continued Growth and Future Guidance**

Over the past 12 months, Wingara has substantially improved its sales, operational and financial position. As a result of an extended fodder harvest season and the associated negotiation with export and domestic trading partners, revenue based on our completed fodder purchase program is to be reflected from April 2019, resulting in an adjusted outlook for 2019 financial year end reporting purpose as of 31<sup>st</sup> March. It is expected the seasonal delay will result in revenue being received in the half year ending September 2019 and that the overall result for the 2019 calendar year will not be adversely affected.

Over the past 6 months, the Company has extensively built out its agriculture infrastructure platform and noticeably has:

- Commissioned the Phase 1 development of its Raywood facility which will deliver throughput of up to 110,000 metric tonnes of fodder products per annum to meet increased demand when fully Phase 2 and 3 are completed;
- Expanded its fodder contract base to a number of new food, agri-businesses and trading partners in China, South Korea, Japan, and Australia. We will continue this momentum into the next harvest season;
- Integrated Austco Polar under the Wingara platform to extend its distribution capability of animal protein products to complement the fodder marketing capability.

As a result, this has led to a significant improvement to the overall financial position of Wingara (noting, due to timing difference, the revenue expected in the second half of FY19 is now expected in the first half FY20, which has resulted in a reduction in the accounting result for FY19). The Company will provide guidance for FY20 including the second half of CY19 in due course.

	FY17 (Actual)	FY Increase by	FY18 (Actual)	FY Increase by	FY19 (Revised Forecast)
<b>Revenue</b>	\$8.7m	↑ 25%	\$10.9m	↑ Over 166%	\$29m – \$31m
<b>EBITDA</b>	\$605k	↑ 82%	\$1.1m	↑ Over 327%	\$4.7m – \$5.0m
<b>Assets</b>	\$13.6m	↑ 71%	\$23.3m	↑ Over 85%	\$43m – \$47m

The FY19 Forecast estimates are based on the current market conditions, demand growth and contract execution.

**Business Focus**

Wingara has been responsive to its existing customer base, demand trends and product pricing. Below outlines a number of business focal points and the Company’s response to further improve its position:

<sup>^</sup> A 17% reduction in revenue and 22% reduction in EBITDA from guidance provided in the Company’s Investor Presentation released to ASX on 9 August 2018.

Focus	Wingara Response
<b>Significant increase in export market penetration</b>	<ul style="list-style-type: none"> <li>Wingara has continued to increase its business profile in Japan, South Korea, China and Taiwan.</li> <li>This increase in activity made a material contribution to the increase in revenue from \$10.9m in FY18 to the forecast \$29-31m for FY19.</li> </ul>
<b>Contract demand fulfilment delivers smoother results compared to spot market</b>	<ul style="list-style-type: none"> <li>Wingara agreed with long term clients to adjust monthly fodder delivery programs to ensure they receive steady supply until next harvest.</li> <li>The Company determined that it will be strategically beneficial to retain inventory to fulfil forward contracts rather than trade all available inventory on the spot market.</li> <li>This ensures a steadier cashflow profile for the period from April 2019 onward, while further improving client relations with multinational food and agri companies in Asia.</li> </ul>
<b>Temporary lag in fodder inventory</b>	<ul style="list-style-type: none"> <li>Wingara continued its commitment to build the fodder business but prioritised funding to Austco Polar's efficiency improvement programs which was mostly completed in Jan 2019.</li> <li>We expect to capitalise on the delayed straw harvesting season and continue our fodder purchase program throughout March to May 2019 to further expand our revenue base for FY 20.</li> <li>Strong international market demand and fodder price increases (oaten, wheaten, barley and canola hay prices increased by up to 50% from the previous season) means Wingara will be able to capitalise on market conditions post April 2019.</li> </ul>
<b>Demand for Austco Polar blast freezing and logistic services at a historically high level</b>	<ul style="list-style-type: none"> <li>Significant demand has led to the implementation of efficiency and capacity improvement programs which was completed recently.</li> <li>The Company anticipates an improvement in underlying EBITDA from Austco Polar when compared to last year and will be able to provide a more accurate assessment by end of March 2019.</li> </ul>

"We have made substantial advances in developing our business profile through investment in strategic infrastructure assets while broadening our export market penetration in Japan, South Korea, China and Taiwan", said Chairman, Gavin Xing. "With territories such as China seeing a 4x increase in demand in hay and fodder over the past 5 years, Wingara is positioned to capitalise on this growth and make strong progress aligned to our strategic growth plan".

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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.