

**ASX Announcement**  
29 April 2022

## **Quarterly Activities Report**

### **Q4 FY22 highlights:**

- **Operating cash receipts of \$12.8 million, up 22% on Q4 FY21 but down 12% on prior quarter**
- **Positive operating cash flow of \$2.4 million at the end of Q4 FY22, up 138% on pcq and 943% on prior quarter**
- **Production recovering after the impact of Omicron from December 2021**
  - **JC Tanloden production sales volume output of 25,466 MT, down 5% on the pcq but up 21% on prior quarter**
  - **Austco Polar volume ended on 414k cartons, down 2% on the pcq but up 2% on prior quarter as the industry shows signs of COVID-19 recovery**

Wingara AG Limited (ASX: WNR), the owner and operator of value-add, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets, is pleased to provide this quarter's activities report alongside its Appendix 4C (Quarterly Cashflow Report) for the three months ended 31 March 2022 (Q4 FY22).

### **Commenting on Q4 FY22, Wingara's Chief Executive Officer James Whiteside said:**

"We have been encouraged by the relatively strong quarterly performance given the unprecedented COVID related impacts on our workforce and supply chains over the period. Our continued focus on margin and working capital management within JCT has allowed us to capitalise on continued strong demand from our Asian customers. Conversely, the impact of the Omicron variant in particular on our staff, and those of our suppliers, has continued to contribute to a difficult trading environment in Austco Polar.

"Nevertheless, we continue to implement a range of turn-around initiatives including the review of roles, responsibilities and reporting lines, new operating and financial reporting and the introduction of a sales and operations planning ("S&OP") process. Improved collaboration and transparency is resulting in efficiencies reflected in EBITDA margins and lower fixed costs. There is still more work required to improve operational efficiencies and plant uptime.

"We continue to remain focused on cash flow and operating margins, with a number of initiatives in play to counter the increased operational risks that COVID-19 has brought."

## Strong working capital management despite cost pressures from COVID-19

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	TOTAL	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	TOTAL
(\$m)	Jun-20	Sep-20	Dec-20	Mar-21*	FY21	Jun-21	Sep-21	Dec-21	Mar-22	FY22 YTD
Receipts from customers	10.0	9.1	10.2	10.5	39.8	11.6	12.2	14.5	12.8	51.1
Net Cash from Operating activities	0.7	0.2	0.2	1.0	2.2	1.5	0.2	0.2	2.4	4.2
Total Hay volumes MT (JCT)	13,736	13,921	15,161	21,093	63,911	19,852	24,344	26,919	25,466	96,581
Available Hay MT (JCT)	16,278	20,290	19,390	12,217	12,217	10,520	11,476	12,069	8,389	8,389
Blast cartons (k) (Austco)	394	403	422	423	1,642	471	499	406	414	1,790

\*Receipts from customers exclude bad debts of \$0.93m

Wingara has delivered receipts from customers of \$12.8 million, down 12% on prior quarter as a result of product mix and delays in shipping. Notwithstanding this, we were able to deliver a strong net cash inflow from operating activities of \$2.4m underpinned by strong working capital management.

### JC Tanloden

- Hay volumes processed at JCT ended Q4 FY22 on 25,466 MT (-5% on pcq and +21% on Q4 FY22).
- Operational performance is slowly recovering from the impact of Omicron variant however this remains a real risk.
- Demand continues to be strong in all markets though the broader impact of COVID-19 continue to adversely affect freight costs and shipping delays.

### Austco Polar Cold Storage

- The sale process of Austco Polar continues with several parties actively engaged.
- COVID-19 impacts on the meat industry has been widely reported however signs of industry recovery are evident as COVID-19 restrictions continue to ease and our blast volumes recover, resulting in a 2% increase when compared to previous quarter.
- Notwithstanding the challenges, the management team has driven margin improvement and has a keen business development focus.

### Financial update

Receipts from customers were \$12.8 million for Q4 FY22. Financing repayments of \$2.5m relating mainly to a further temporary pay down of our revolving loan facility following our strong working capital management initiatives in Q4.

The table below provides a summary of Receipts and Expenditures and business activities for Q4 FY22 (refer also the accompanying Appendix 4C):

	Q4 FY22 (3 months to 31 Mar 2022) \$'000	FY22 (YTD) \$'000
Receipts from customers	12,812	51,112
Operating costs	(7,023)	(31,450)
SG&A (corporate overhead)	(3,418)	(15,448)
Investing activities	(534)	(2,205)
Financing payments / receipts	(2,460)	(2,301)

*Note: Numbers in the table are presented on a cash basis, consistent with the Appendix 4C.*

Payments to related parties over Q3 FY22 were \$49,394, which included fees paid to directors.

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

**For further information please contact:**

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 Chief Financial Officer  
 E: [jae.tan@wingaraag.com.au](mailto:jae.tan@wingaraag.com.au)

**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.

For further information, please visit: <https://wingaraag.com.au/>

**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.

## Appendix 4C

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

**Name of entity**

Wingara AG Ltd

**ABN**

58 009 087 469

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

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	12,812	51,111
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,448)	(14,985)
Hay Purchases	(3,575)	(16,466)
(c) advertising and marketing	-	(149)
(d) leased assets		
(e) staff costs	(3,141)	(13,039)
(f) administration and corporate costs	(170)	(804)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(107)	(1,366)
1.6 Income taxes paid	-	43
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	-	(131)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,371</b>	<b>4,214</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(534)	(2,002)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	-	48
	(d) investments		
	(e) intellectual property		
	(f) 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)	-	(251)
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(534)</b>	<b>(2,205)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,600
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	1,300	5,637
3.6	Repayment of borrowings	(2,698)	(8,369)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(67)	(449)
	Payment for leased assets (i)	(995)	(3,720)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(2,460)</b>	<b>(2,301)</b>

(i) The Group has adopted accounting standard AASB 16 Leases with effect from 1 April 2019. In accordance with the requirements of AASB 16 cash payments for the Group's Lease Liabilities are presented within financing activities.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<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 period	2,251	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,371	4,214
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(534)	(2,205)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,460)	(2,301)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,628</b>	<b>1,628</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,628	2,251
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,628</b>	<b>2,251</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																																
7.1	Loan facilities	10,342	8,013																																
7.2	Credit standby arrangements	40																																	
7.3	Other (please specify)																																		
7.4	<b>Total financing facilities</b>	10,382	8,013																																
7.5	<b>Unused financing facilities available at quarter end</b>		2,369																																
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Facility</th> <th style="width: 15%;">Facility Limit (\$,000)</th> <th style="width: 15%;">Drawdown (\$,000)</th> <th style="width: 20%;">Interest Rate</th> </tr> </thead> <tbody> <tr> <td>Inventory Loan Facility</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">3,500</td> <td>BBSY + 1.12%</td> </tr> <tr> <td>Westpac Facility - Elect Performance Group</td> <td style="text-align: right;">436</td> <td style="text-align: right;">436</td> <td>BBSY + 1.58%</td> </tr> <tr> <td>WBC BBBL</td> <td style="text-align: right;">1,830</td> <td style="text-align: right;">1,830</td> <td>BBSY + 1.55%</td> </tr> <tr> <td>Asset finance facility</td> <td style="text-align: right;">2,476</td> <td style="text-align: right;">2,247</td> <td>4.94%</td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">600</td> <td style="text-align: center;">-</td> <td>4.59%</td> </tr> <tr> <td>Corporate Card</td> <td style="text-align: right;">40</td> <td style="text-align: center;">-</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>10,382</b></td> <td style="text-align: right;"><b>8,013</b></td> <td></td> </tr> </tbody> </table>			Facility	Facility Limit (\$,000)	Drawdown (\$,000)	Interest Rate	Inventory Loan Facility	5,000	3,500	BBSY + 1.12%	Westpac Facility - Elect Performance Group	436	436	BBSY + 1.58%	WBC BBBL	1,830	1,830	BBSY + 1.55%	Asset finance facility	2,476	2,247	4.94%	Bank overdraft	600	-	4.59%	Corporate Card	40	-		<b>Total</b>	<b>10,382</b>	<b>8,013</b>	
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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	2,371
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,628
8.3	Unused finance facilities available at quarter end (item 7.5)	2,369
8.4	Total available funding (item 8.2 + item 8.3)	3,997
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	



8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The company is speaking with various parties about funding programs with further details to be provided in the near term.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## 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.

Date: 29/04/2022.....

Authorised by: The Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.