

WISEWAY GROUP LIMITED

ABN 26 624 909 682

APPENDIX 4E

PRELIMINARY FINAL REPORT

Details of the reporting period

Current reporting period: 12 months ended 30 June 2022

Previous reporting period: 12 months ended 30 June 2021

Results for announcement to the market

Wiseway Group Limited ("the Company") and its subsidiaries ("the Group") presents its results for the year ended 30 June 2022. The Group's revenue and other income for the 12 months ended 30 June 2022 was \$130,668,000 (12 months ended 30 June 2021: \$126,770,000) and an EBITDA loss of \$186,000 (12 months ended 30 June 2021: profit of \$8,146,000). The loss for the Group, including losses attributable to non-controlling interests, for the 12 months ended 30 June 2022 after providing for income tax amounted to \$8,096,000 (12 months ended 30 June 2021 profit: \$1,766,000).

The comparative year is for the period 12 months ended 30 June 2021.

	12 months ended	12 months ended	Change
	30 June 2022	30 June 2021	
	\$'000	\$'000	%
Revenue from ordinary activities	130,668	126,770	3.07
Net (loss)/profit from ordinary activities after tax attributable to members	(8,092)	1,774	(556%)

	12 months ended	12 months ended	Change
	30 June 2022	30 June 2021	
	Cents	Cents	%
Basic (loss)/earnings per share (cents)	(5.56)	1.26	(541%)
Diluted (loss)/earnings per share (cents)	(5.56)	1.26	(541%)

Dividends

There were no dividends recommended, declared or paid during the current reporting period.

Details of entities over which control has been gained

During the year, the following wholly owned subsidiaries were incorporated or acquired:

Subsidiary	Country	Date of incorporation/acquisition
Wiseway Cargo Airlines Pty Ltd	Australia	22 December 2021
Wiseway Cargo Airlines (Aruba) N.V.	Aruba	27 June 2022
TAF E-Logistics (Asia) Pte. Ltd.	Singapore	13 August 2021

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Net tangible assets

	30 June 2022	30 June 2021
	\$	\$
Net Tangible assets per security	0.13	0.18

Audit qualification or review

The financial statements are in the process of being audited.

Attachments

The appendix 4E is provided in accordance with ASX Listing Rule 4.3A and is to be read in conjunction with the operating and financial review, preliminary final report of Wiseway Group Limited for the financial reporting period ended 30 June 2022 where additional disclosures are provided, and any market announcements made by the Company in accordance with continuous disclosure obligations.

The operating and financial review and preliminary final report are attached below.

Signed:



Florence Tong

Director

Wiseaway Group Limited

Dated at Sydney this 30th day of August 2022

OPERATING AND FINANCIAL REVIEW**1. Operating and financial review****a) Financial results**

The Company's revenue and other income for the financial year ended 30 June 2022 (FY22) was \$130.7 million (FY21: \$126.8 million), driven by organic growth across the key segments of perishables, imports, and road transportation. The company's further investment into a Chicago office and expansion in China also delivered revenue growth of \$1.7 million and \$6.7 million respectively. Results were negatively affected by a reduction in airfreight, driven by external factors outside of management control including expanded COVID-19 lockdown measures in China, the extraordinary rainfall and floods in New South Wales and Queensland and inflationary pressures.

This resulted in an EBITDA loss of \$0.2 million (2021: \$8.1 million), and an after-tax statutory net loss of \$8.1 million (2021: profit of \$1.8 million). The results were, in part, negatively affected by the Group reassessing the recoverable value of its assets, and in particular its current assets, which considers the current challenging market conditions.

b) Incorporation of subsidiaries

During the year, the following wholly owned subsidiaries were incorporated or acquired:

Subsidiary	Country	Date of incorporation/acquisition
Wiseway Cargo Airlines Pty Ltd	Australia	22 December 2021
Wiseway Cargo Airlines (Aruba) N.V.	Aruba	27 June 2022
TAF E-Logistics (Asia) Pte. Ltd.	Singapore	13 August 2021

c) Expanding US operations

During the year, the Company further expanded its operations into the United States of America by opening a new cargo hub in Chicago. This follows the prior financial year's successful establishment of a branch in Los Angeles.

This also further capitalises on the momentum created through the awarding of an Indirect Air Carrier (IAC) certificate to the Company by the U.S. Department of Homeland Security, Transportation Security Administration. This accreditation entitles the Company to deal with airlines directly and on preferential terms – a significant competitive advantage within the market. The USA operations delivered revenue of \$1.7 million in its first year of operation.

d) Expanding into Singapore

In this financial year, the Group also completed the acquisition of TAFE-Logistics (Asia) Pte Ltd ("TAF"). This was its first cross-border acquisition and will deliver valuable supply chain efficiencies and revenue synergies. Singapore is a global shipping and air cargo hub and is an integral shipping destination.

As part of the completion, 400,000 fully paid ordinary shares in the Group have been issued.

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OPERATING AND FINANCIAL REVIEW

1. Operating and financial review (continued)

e) Floods and lockdowns

The Group was negatively affected by the impact of the New South Wales and Queensland floods in the fourth quarter of FY22, and particularly, the impact of those on the agricultural sector. This has led to a slowdown in the perishables business, which has since started recovering.

Furthermore, the ongoing COVID-19 lockdowns in China has also had a negative effect on airfreight and has led to reduced revenues.

f) Operating updates

Despite the challenges of the year, the Group still succeeded in growing its revenue base and diversifying into other income streams, particularly by focusing on perishables and imports. This journey will continue with the addition of an aircraft to its operations subsequent to year end.

g) Outlook

Management believes that business performance will improve in the next 12 months because the extraordinary rainfall and floods have ceased, lockdowns in China will not continue and there are early indications that sales volumes are rising.

Furthermore, management has started implementing several measures to improve productivity and bolster its cash position, including right sizing assets and staff, consolidating contracted services and exploring additional financing opportunities.

In terms of future growth, Wiseway's diversified business model, growing customer base, strategic industry partnerships, and expanding global footprint will enable it to benefit from the growing demand for integrated logistics solutions.

In August of 2022, the company announced it entered into a leasing agreement which will provide it with exclusive use of a class-leading Boeing 737-800 SF. The agreement with leading aircraft leasing company GA Telesis LLC secures 96 months of access to the cargo-freighter and will run until August 2030. This is a significant milestone in the Group's growth and marks another step forward in the current global expansion strategy initiated in 2019.

h) COVID-19 Update

As an essential service provider during the COVID-19 pandemic, Wiseway has continued to operate its import and export services between Australia and Asia, despite the ongoing and continued disruptions to the traditional trade pathways between the two regions, and ongoing lockdowns in our operations in China.

Despite that, Wiseway continues to lead in the trade industry and relations between Australia and the Asia Pacific, by offering its customers a combination of service options and alternative freight routes.

Wiseway continues to prioritise the safety and well-being of its staff in different regions, with carefully developed operational 'COVID-19 safe' procedures put in place. This has ensured a safe operating environment to employees and ensured safe, reliable, and high-quality service to its customers.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Revenue	1	130,668	126,770
Direct transport and logistics expenses		(102,781)	(95,173)
Employee benefit expenses	2	(21,053)	(18,415)
Occupancy expenses		(1,647)	(970)
Depreciation expense		(5,660)	(5,162)
Share-based payments expense		(117)	(30)
Administration and other expenses		(5,256)	(4,036)
Operating (loss)/profit		(5,846)	2,984
Finance costs	3	(1,426)	(1,436)
(Loss)/profit before tax		(7,272)	1,548
Income tax (expense)/benefit	4	(824)	218
(Loss)/profit for the year		(8,096)	1,766
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations - foreign currency translation differences		26	(28)
Other comprehensive income/(loss) for the year		26	(28)
Total comprehensive (loss)/profit for the year		(8,070)	1,738
(Loss)/profit attributable to:			
Owners of the Company		(8,088)	1,774
Non-controlling interests		(8)	(8)
		(8,096)	1,766
Total comprehensive (loss)/profit attributable to:			
Owners of the Company		(8,062)	1,746
Non-controlling interests		(8)	(8)
		(8,070)	1,738
Basic (loss)/earnings per share (cents)	5	(5.56)	1.26
Diluted (loss)/earnings per share (cents)	5	(5.56)	1.26

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As on 30 June 2022

	Note	30 June 2022 \$'000	30 June 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	6,933	9,934
Trade and other receivables	7	9,507	6,744
Inventories	8	227	120
Other assets	9	3,677	4,235
Financial assets	10	740	-
Total current assets		21,084	21,033
Non-current assets			
Other assets	9	3,196	-
Financial assets	10	451	451
Property, plant and equipment	11	36,900	40,847
Deferred tax assets	4	-	1,258
Total non-current assets		40,547	42,556
Total assets		61,631	63,589
Liabilities			
Current liabilities			
Trade and other payables	12	7,659	7,433
Loans and borrowings	13	4,845	9,170
Employee benefits	14	1,667	1,285
Provisions	15	677	127
Current tax liabilities	4	226	660
Total current liabilities		15,074	18,675
Non-current liabilities			
Loans and borrowings	13	24,889	19,217
Employee benefits	14	188	211
Total non-current liabilities		25,077	19,428
Total liabilities		40,151	38,103
Net assets		21,480	25,486
Equity			
Share capital	16	30,044	26,027
Reserves	16	1,565	1,492
Accumulated losses		(10,099)	(2,011)
Equity attributable to owners of the Company		21,510	25,508
Non-controlling interests	19	(30)	(22)
Total equity		21,480	25,486

The above statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Note	Share capital \$'000	Share-based payments reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained earnings / (accumulated losses) \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance on 30 June 2021	26,027	1,488	4	(2,011)	25,508	(22)	25,486
Comprehensive income/(loss)							
Loss for the year	-	-	-	(8,088)	(8,088)	(8)	(8,096)
Other comprehensive income for the year	-	-	26	-	26		26
Total comprehensive income/(loss) for the period	-	-	26	(8,088)	(8,062)	(8)	(8,070)
Transactions with owners, in capacity as owners							
Consideration paid in shares for the acquisition of TAF-E Logistics (Asia) Pte. Ltd	144	-	-	-	144	-	144
Ordinary shares issued - rights issue	3,923	-	-	-	3,923	-	3,923
Share transaction costs	(120)	-	-	-	(120)	-	(120)
Share capital contributed via employee share scheme/bonuses	70	-	-	-	70	-	70
Share-based payments	-	47	-	-	47	-	47
Total transactions with the owners	4,017	47	-	-	4,064	-	4,064
Balance on 30 June 2022	30,044	1,535	30	(10,099)	21,510	(30)	21,480

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Note	Share capital \$'000	Share-based payments reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained earnings / (accumulated losses) \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance on 30 June 2020	26,027	1,458	32	(3,755)	23,762	(14)	23,748
Comprehensive income							
Profit for the year	-	-	-	1,774	1,774	(8)	1,766
Other comprehensive income for the year	-	-	(28)	-	(28)	-	(28)
Total comprehensive income for the period	-	-	(28)	1,774	1,746	(8)	1,738
Transactions with owners, in capacity as owners							
Share-based payments	-	30	-	(30)	-	-	-
Total transactions with the owners	-	30	-	(30)	-	-	-
Balance on 30 June 2021	26,027	1,488	4	(2,011)	25,508	(22)	25,486

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

		12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Cash flows from operating activities			
Cash receipts from customers		127,894	128,025
Cash paid to suppliers and employees		(131,819)	(120,060)
Cash (utilised) in/generated from operating activities		(3,925)	7,965
Interest received		11	10
Interest paid		(1,426)	(1,436)
Income taxes received/(paid)		-	475
Net cash (utilised in)/generated from operating activities	20	(5,340)	7,014
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(46)	-
Acquisition of property, plant and equipment		(315)	(625)
(Acquisition)/disposal of other investments		(740)	(113)
Net (cash used) in investing activities		(1,101)	(738)
Cash flows from financing activities			
Proceeds from issue of share capital (net of transaction costs)		3,803	-
Proceeds from loans and borrowings	13	8,992	4,707
Repayment of loans and borrowings	13	(5,000)	(5,018)
Payment of lease liabilities		(4,355)	(4,610)
Net cash (used in)/from financing activities		3,440	(4,921)
Net (decrease)/increase in cash and cash equivalents		(3,001)	1,355
Cash and cash equivalents at beginning of the period		9,934	8,607
Effects of movements in exchange rates on cash held		-	(28)
Cash and cash equivalents at end of the period	6	6,933	9,934

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Revenue**a) Revenue streams**

The Group generates revenue primarily from the provision of freight forwarding services to its customers. Other sources of revenue include interest income from term deposits.

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Revenue from contracts with customers	130,130	125,977
Other revenue		
Interest income	11	10
Other income	527	783
	<u>538</u>	<u>793</u>
Total revenue	<u>130,668</u>	<u>126,770</u>

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by business division.

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Air freight - general cargo	74,628	86,690
Air freight - perishables	29,305	19,497
Sea freight	6,142	5,250
Road freight	6,289	4,274
Imports	13,766	10,266
	<u>130,130</u>	<u>125,977</u>

2. Employee benefit expenses

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Salaries and wages	11,592	8,786
Contractor costs	7,123	7,737
Contributions to superannuation funds	902	716
Increase in employee benefits	353	326
Other employee expenses	<u>1,083</u>	<u>850</u>
	<u>21,053</u>	<u>18,415</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

3. Finance costs

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Financial liabilities measured at amortised cost - interest expense	377	528
Lease liabilities - interest expense	1,049	908
	1,426	1,436

4. Income taxes**a) Amounts recognised in profit or loss**

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Current year	3	661
Tax payable in foreign operation	54	-
Changes in estimates to prior year	(491)	379
	(434)	1,040
Deferred tax expense		
Deferred tax expense/(benefit)	1,258	(1,258)
Income tax expense/(benefit)	824	(218)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Income taxes (continued)**b) Reconciliation of effective tax rate**

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
(Loss)/profit before tax	(7,272)	1,548
Tax using the Group's domestic Australian tax rate of 30%	(2,182)	464
Tax effect of:		
- Non-deductible expenses	58	81
- Current year tax loss from Australian operations not recognised as tax benefit	1,087	-
- Current year tax loss from foreign operations not recognised as tax benefit	1,069	-
- Changes in estimates to prior years	(491)	379
- Derecognition of deferred tax assets	1,258	
- Differential tax rates in foreign subsidiaries	25	-
- Recognition of previously unrecognised deductible temporary differences	-	(1,142)
	824	(218)

c) Deferred tax balances

	30 June 2022 \$'000	30 June 2021 \$'000
Share issue costs	-	389
Trade and other receivables	-	233
Property, plant and equipment	-	107
Employee benefits	-	274
Other payables	-	255
Deferred tax assets	-	1,258

The Group has not recognised deferred tax assets to the value of \$1,784,000 (FY21: nil) which will be available for use in future tax years, as currently it is not considered probable that sufficient taxable profit will be generated in the foreseeable future against which the group can use the benefits. These temporary differences do not expire under current tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

5. Earnings per share**a) Basic earnings per share**

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
(Loss)/profit attributable to ordinary shareholders (basic)	<u>(8,092)</u>	<u>1,774</u>
Weighted-average number of ordinary shares on 30 June 2022 (basic)	<u>145,436</u>	<u>141,134</u>

b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
(Loss)/profit attributable to ordinary shareholders (diluted)	<u>(8,092)</u>	<u>1,774</u>
Weighted-average number of ordinary shares on 30 June 2022 (diluted)	<u>145,488</u>	<u>141,134</u>

6. Cash and cash equivalents

	30 June 2022 \$'000	30 June 2021 \$'000
Bank balances	<u>6,933</u>	<u>9,934</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

7. Trade and other receivables

	30 June 2022	30 June 2021
	\$'000	\$'000
Trade receivables	9,431	6,658
Less: Provision for doubtful debts	(1,250)	(787)
Net trade receivables	8,181	5,871
Net GST receivables	556	533
Loan from related party	155	-
Other receivables	615	340
	9,507	6,744

8. Inventories

	30 June 2022	30 June 2021
	\$'000	\$'000
Pallets and consumables	48	54
Fuel	179	66
Inventories	227	120

9. Other assets

	30 June 2022	30 June 2021
	\$'000	\$'000
Current assets		
Deposits	3,246	3,294
Prepayments	431	941
	3,677	4,235
Non-current assets		
Deposits	3,196	-

The deposits relate to amounts paid to airlines for rights to cargo space and bonds paid for warehouse leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

10. Financial assets

	30 June 2022 \$'000	30 June 2021 \$'000
Current assets		
Term deposits	<u>740</u>	<u>-</u>
Non-current assets		
Term deposits for bank guarantees	<u>451</u>	<u>451</u>

The term deposits relate to bank guarantees as security for leased premises or cash held in interest earning accounts.

11. Property, plant and equipment**a) Reconciliation of carrying amount**

	Land and buildings \$'000	Right-of-use assets \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost						
Balance on 30 June 2021	11,327	20,121	6,907	3,894	13,800	56,049
Additions	-	1,280	56	259	193	1,788
Effect of foreign exchange differences	-	(106)	-	(2)	(1)	(109)
Addition through business combination	-	-	-	18		18
Disposals	-	-	-	(2)	(54)	(56)
Balance on 30 June 2022	11,327	21,295	6,963	4,167	13,938	57,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

11. Property, plant and equipment (continued)**a) Reconciliation of carrying amount (continued)**

	Land and buildings	Right-of-use assets	Leasehold improvements	Plant and equipment	Motor vehicles	Total
Accumulated depreciation and impairment losses	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance on 30 June 2021	(1,280)	(3,970)	(1,841)	(1,146)	(6,965)	(15,202)
Effect of foreign exchange differences	-	18	-	-	-	18
Depreciation	(566)	(2,302)	(686)	(567)	(1,539)	(5,660)
Disposals	-	-	-	-	54	54
Balance on 30 June 2022	(1,846)	(6,254)	(2,527)	(1,713)	(8,450)	(20,790)
Carrying amounts on 30 June 2022	9,481	15,041	4,436	2,454	5,488	36,900

	Land and buildings	Right-of-use assets	Leasehold improvements	Plant and equipment	Motor vehicles	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance on 30 June 2020	11,327	19,873	6,415	3,706	11,998	53,319
Additions	-	-	492	188	1,802	2,482
Addition of right-of-use assets	-	343	-	-	-	343
Disposals	-	(95)	-	-	-	(95)
Balance on 30 June 2021	11,327	20,121	6,907	3,894	13,800	56,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

11. Property, plant and equipment (continued)**a) Reconciliation of carrying amount (continued)**

	Land and buildings	Right-of-use assets	Leasehold improvements	Plant and equipment	Motor vehicles	Total
Accumulated depreciation and impairment losses	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance on 30 June 2020	(714)	(2,068)	(1,140)	(729)	(5,484)	(10,135)
Depreciation	(566)	(1,997)	(701)	(417)	(1,481)	(5,162)
Disposals	-	95	-	-	-	95
Balance on 30 June 2021	(1,280)	(3,970)	(1,841)	(1,146)	(6,965)	(15,202)
Carrying amounts on 30 June 2021	10,047	16,151	5,066	2,748	6,835	40,847

b) Leased plant and equipment

The Group leases motor vehicles under a number of finance leases.

On 30 June 2022, the net carrying amount of leased motor vehicles was \$5,488,000 (30 June 2021: \$6,835,000).

During the year ended 30 June 2022, the Group acquired motor vehicles with a carrying amount of \$127,808 under finance leases (2021: \$1,802,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

12. Trade and other payables

	30 June 2022	30 June 2021
	\$'000	\$'000
Trade payables	3,669	4,024
Other payables	3,990	3,409
	<u>7,659</u>	<u>7,433</u>

13. Loans and borrowings

	30 June 2022	30 June 2021
	\$'000	\$'000
Current liabilities		
Finance lease liabilities	1,934	1,084
Lease liabilities	2,085	3,061
Loans from related parties	-	25
Secured bank loans	826	5,000
	<u>4,845</u>	<u>9,170</u>
Non-current liabilities		
Finance lease liabilities	2,065	5,230
Secured bank loans	8,592	-
Lease liabilities	14,232	13,987
	<u>24,889</u>	<u>19,217</u>

The Group has a secured loan facility of AUD \$9,030,000 of which AUD \$8,992,000 was utilised on 30 June 2022 (30 June 2021: \$5,000,000). The secured bank loan facility is secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd.

The bank loan expires in 2025 and carries interest of BBSY + 1.45% of drawn funds, in addition to a facility fee of 1%.

There are no covenants on the loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13.Loans and borrowings (continued)**a) Finance lease and lease liabilities**

Finance lease and lease liabilities are payable as follows:

	Future minimum lease payments 30 June 2022	Interest 30 June 2022	Present value of minimum lease payments 30 June 2022
	\$'000	\$'000	\$'000
Less than one year	4,951	(932)	4,019
Between one and five years	12,665	(2,087)	10,578
More than five years	6,351	(632)	5,719
	23,967	(3,651)	20,316

	Future minimum lease payments 30 June 2021	Interest 30 June 2021	Present value of minimum lease payments 30 June 2021
	\$'000	\$'000	\$'000
Less than one year	5,230	(1,075)	4,155
Between one and five years	16,511	(2,909)	13,602
More than five years	6,226	(621)	5,605
	27,967	(4,605)	23,362

14.Employee benefits

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Current		
Liability for annual leave	1,154	778
Other employee benefit liabilities	514	507
	1,667	1,285
Non- Current		
Liability for long-service leave	188	211
	188	211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

15.Provisions

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Provision for make good expenses	127	127
Provision for customer dispute	550	-
	677	127

16.Capital and reserves**a) Share capital**

Date	Details	Shares	Issue price	\$'000
30 June 2021	Opening Balance	143,818,769	-	26,027
13 August 2021	Consideration paid in shares for the acquisition of TAF-E Logistics (Asia) Pte Ltd	400,000	0.36	144
1 April 2022	Ordinary shares issued - employees	-	-	70
10 June 2022	Ordinary shares issued - rights issue	23,075,103	0.17	3,923
10 June 2022	Share transaction costs	-	-	(120)
30 June 2022	Closing balance	167,293,872	-	30,044

Date	Details	Shares	Issue price	\$'000
30 June 2020	Opening Balance	140,318,769	-	26,027
7 April 2021	Ordinary shares issued - employees	3,500,000	-	-
30 June 2021	Closing balance	143,818,769	-	26,027

Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

16. Capital and reserves (continued)**b) Nature and purpose of reserves*****i) Translation reserve***

The translation reserve of \$30,000 (30 June 2021: \$4,000) comprises of all foreign currency differences arising from the translation of the financial statements of foreign operations.

ii) Share-based payments reserve

The share-based payments reserve of \$1,535,000 (30 June 2021: \$1,488,000) comprises of all share-based payment arrangements granted to employees that has been recognised as an expense, with a corresponding increase in the reserve, over the vesting period of the awards.

c) Dividends

There were no dividends declared or paid by the Company during the period.

Dividend franking account	30 June 2022	30 June 2021
Amount of franking credits available to shareholders of Wiseway Group Limited For subsequent financial years	1,268,427	1,268,427

d) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

17. List of subsidiaries

Set out below is a list of material subsidiaries of the Group.

	30 June 2022	30 June 2021
	% Ownership	% Ownership
Wiseway Logistics Pty Ltd - Australia	100%	100%
Wiseway Perishables Pty Ltd - Australia	100%	100%
Wiseway Logistics Limited - New Zealand	100%	100%
Wiseway Logistics Hong Kong Limited -Hong Kong	100%	100%
Wiseway Shanghai International Logistics Co., Ltd - China	100%	100%
Airnex Pty Ltd - Australia	100%	100%
Airnex Limited - New Zealand	100%	100%
Four Seasons Pty Ltd - Australia	51%	51%
Airtruck Pty Ltd - Australia	100%	100%
Cargo Technology Network Pty Ltd - Australia	100%	100%
Wiseway Logistics Pte Ltd - Singapore	100%	100%
TAF E-Logistics (Asia) Pte. Ltd.	100%	-
Wiseway Logistics Inc - United States of America	100%	100%
Wiseway Cargo Airlines Pty Ltd – Australia	100%	-
Wiseway Cargo Airlines (Aruba) N.V.	100%	-

18. Incorporation and acquisition of subsidiaries

During the year, the following wholly owned subsidiaries were incorporated or acquired:

Subsidiary	Country	Date of incorporation/acquisition
Wiseway Cargo Airlines Pty Ltd	Australia	22 December 2021
Wiseway Cargo Airlines (Aruba) N.V.	Aruba	27 June 2022
TAF E-Logistics (Asia) Pte. Ltd.	Singapore	13 August 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

19. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has non-controlling interests, before any intra-group eliminations.

	Four Seasons Pty Ltd 12 months ended 30 June 2022 \$'000	Four Seasons Pty Ltd 12 months ended 30 June 2021 \$'000
Non-controlling interest %	49%	49%
Revenue	200	1,860
Loss	(16)	(17)
Total comprehensive loss	(16)	(17)
Loss allocated to non-controlling interests	(8)	(8)
Current assets	3	213
Non-current assets	5	5
Current liabilities	(6)	(13)
Non-current liabilities	(63)	(250)
Net liabilities	(61)	(45)
Net liabilities attributable to non-controlling interests	(30)	(22)
Cash flows used in operating activities	5	(7)
Cash flows used in financing activities	(5)	(207)
Net increase / (decrease) in cash and cash equivalents	-	(214)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

20.Reconciliation of cash flows from operating activities

	12 months ended 30 June 2022 \$'000	12 months ended 30 June 2021 \$'000
Profit for the period	(8,096)	1,766
Adjustments for:		
- Depreciation expense	5,660	5,162
- (Gain) / loss on sale of fixed assets	-	-
- Share capital contributed via employee share scheme/bonuses	70	-
Share-based payment expense	47	-
	<u>(2,319)</u>	<u>6,928</u>
Changes in:		
- Trade and other receivables	(2,763)	1,911
- Inventories	(107)	-
- Current tax assets	(434)	866
- Other assets	(2,638)	(2,572)
- Deferred tax assets	1,258	(1,258)
- Trade and other payables	445	770
- Provisions	550	-
- Employee benefits	359	265
- Unrealised foreign exchange movements	119	-
- Changes through business combinations	190	-
- Provisions	-	104
Net cash from operating activities	<u>(5,340)</u>	<u>7,014</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

21. Going concern basis of accounting

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The trading loss and the net cash outflow from operating activities in the last four months have been driven by factors outside of management's control, including expanded COVID-19 lockdown measures in China, the extraordinary rainfall and floods in New South Wales and Queensland and inflationary pressures.

Management regards the going concern basis as appropriate because the extraordinary rainfall and floods have ceased, lockdowns in China is not expected to continue and there are early indications that sales volumes are rising. Further, management has prepared a detailed cash flow forecast for the next 12 months which indicates that the Group has the ability to meet its debts as and when they fall due.

Even though the forecast based on normal trading activities indicates that the going concern basis of accounting remains appropriate, management has nevertheless started implementing several measures to further support that conclusion, including right sizing of specific staff and assets, consolidation of contracted services and exploring additional financing opportunities.

Accordingly, the Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

22. Events subsequent to reporting date

Subsequent to year end, the Group entered into a leasing agreement, which will provide it with exclusive use of a Boeing 737-800. The agreement is for 96 months until August 2030.

The agreement is not expected to cost more than \$300,000 per month over the life of the contract and is not expected to start before September 2022.

No matters or circumstances, other than those mentioned above, have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

23. Commitments and contingencies

The Group holds bank guarantees in the form of term deposits amounting to \$1,191,000, of which \$451,000 relates to bank guarantees (30 June 2021: \$451,000).

The Group has committed to lease an additional two rental properties after year end, one of which will replace an existing property.