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Wiseway Group Limited
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Wiseway Group Limited (ASX:WWG)

2021 Annual General Meeting Addresses

Wiseway Group Limited provides the following Addresses to Shareholders, to be presented at the Annual General Meeting today, in accordance with ASX listing rule 3.13.3:

1. Mr Michael Hughes, Wiseway Chairman; and
2. Ms Florence Tong, Managing Director and Executive Director

This announcement was authorised for release by the Board of Directors of Wiseway Group Limited.

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About Wiseway Group Limited (the Company)

Wiseway (ASX: WWG) is a leading provider of integrated logistics solutions, with a global network of strategically located warehouses and facilities and a large modern fleet of trucks and delivery vehicles.

Established in 2005 to serve the growing Australia-Asia Pacific trade industry, Wiseway has grown to become one of the top three outbound air freight logistics providers in Australia. With multiple strategically located operation hubs in Australia, the US, and the Asia Pacific, the Company provides its large base of domestic and international customers with specialist cross-border logistics services including air freight, sea freight, import, domestic transportation, warehousing, and customs clearance.

For more information, please visit www.wiseway.com.au

ANNUAL GENERAL MEETING 2021

Chairman Address

I am Michael Hughes, Chairman of the Board of Wiseway Group Limited, and I welcome you to our third Annual General Meeting of the Company.

Much of our focus today will touch on Wiseway's ability to adapt to the disruption and the obstacles emerging from the ongoing COVID-19 pandemic. It is in this spirit that we conduct today's proceedings – determined to deliver on our responsibilities despite the challenges we face.

Today, I would like to present to you Wiseway's strong financial performance and the significant milestones achieved in the financial year 2021, as part of the Company's strategic expansion of our global footprint.

Our Co-Founder and Managing Director, Florence Tong, will then provide more detail on our business operations across our growing global network.

FY21 key milestones and growth initiatives

2021 was a year of growth for Wiseway Group, despite the challenging operating environment.

Last year I mentioned at the beginning of my address that the Board's focus had been on generating positive net operating cash flow, continuing the strategy of diversification, and developing scale in key growth areas.

I am very pleased to report that we have made significant progress on all these objectives in the financial year 2021.

Firstly, the Company's revenue for the year ended 30 June 2021 ('FY21') was \$126 million, resulting in an EBITDA of \$8.1 million.

This milestone full-year profit was a result of the Company's focus on organic revenue growth, prudent cost management, and economies of scale, following two years of robust strategic investment in the business. It signals a turning point for the business, which successfully implemented a diversification strategy and achieved a positive net profit for the first time since listing in October 2018.

Reflecting our investment in diversifying the business and expanding both our teams and our integrated operating platform, revenue grew by a significant 23.5 per cent.

This was primarily driven by non-traditional segments such as perishables, sea freight, import and distribution, and road transportation which more than doubled in size since last year's AGM when we announced our intent to explore and grow these areas.

The Company was in a strong financial position at the end of FY21 with \$9.9 million in Cash, and a Debt/EBITDA ratio of 1.44. This strong improvement in cash flows and cash position, with healthy leverage levels is enabling us to maintain a strong balance sheet to support future growth and strategic initiatives.

Co-Founder and Managing Director, Florence Tong, will take you through the details of the financial results shortly.

A true globally diversified business

Our growth strategy over the last two years has laid the foundation for a diversified and integrated business across segments, products, customers, and geographies with:

- 37 per cent of our FY21 revenue is from non-traditional business segments.
- Only 28 per cent of revenue is generated from the top five customers, which reflects minimal concentration risk in the business.
- 38 per cent of the volumes in our key growing segments of perishables and imports are with fast growing markets outside of China.

In the next five years, growth in the global freight and logistics industry will come from the US and Asia Pacific markets. In order to maximise Wiseway's future growth opportunities from these regions we launched in June 2021 our first US branch in Los Angeles with a high calibre team of experts on-the-ground to run the business operations.

We also enhanced our on-ground team in China attracting and retaining experienced professionals to continue to manage the operations in our Shanghai and Guangzhou branches, supporting the organic growth of the Company's operations in-country, as well as across the Asia Pacific region.

During the year, we strengthened our teams in perishables as well as in import and distribution and improved our operating platform with the development and deployment of internal software solutions (like WiseOps and ePLink) that meaningfully improved supply chain efficiencies.

Importantly, outside of the reporting period considered, in August 2021, we completed our first cross-border acquisition of Singapore-based air freight company TAF E-Logistics (Asia) Pte Ltd (TAF).

TAF is a well-established air freight company in Singapore with 30 years of experience serving the Southeast Asian region out of their strategic location at the Singapore Airport Airfreight centre, a global cargo hub and the heart of Southeast Asia's logistics industry.

The region has significant growth potential; not only with its growing freight logistics industry, but also with its substantial e-commerce industry potential. Our strong presence there positions us well to benefit from the emerging opportunities of the region's fastest growing economies including Indonesia, Thailand, Malaysia and Vietnam.

These expansions have been accomplished prudently within existing balance sheet capacity, boosting the benefits of choice and value offered to our customers, while strengthening long-term returns for shareholders.

An experienced Board and Management team to drive future growth

Next, I would like to highlight changes to the Board of Directors that took place in 2021 to build on the positive business momentum created by these milestone achievements and to support our future growth initiatives.

In March 2021, Mr Ken Tong was appointed to the Board of Wiseway as Non-Executive Director. Ken, previously Wiseway's Chief of Staff from June 2012, had looked after key operations and standard operating procedures, as well as establishing critical business areas, including the Company's first customs-bonded depots, quarantine-approved and dairy-approved premises. He played a key role in supporting the design and development of Wiseway's strategy leading up to the IPO.

Mr Roger Tong, Co-Founder and Executive Director, moved off the Board and continued in his role as Chief Executive Officer. He also assumed the role of the Company Secretary.

Mrs Florence Tong, Co-Founder and Executive Director, who previously carried out the responsibilities of the Company Secretary, continued in her role as Managing Director and as Executive Director on the Board.

In August, Ms Lin Xu advised the Board of her intention to resign as a Non-Executive Director, due to her growing commitments with AZ Global.

Mr Brandon Teo was appointed as a Non-Executive Director bringing a wealth of global logistics experience and an extensive network of relationships in the industry working with many Australian, American, and international companies on expanding their footprint in Southeast Asia. We look forward to his contribution to the Group's global growth plans, especially in Southeast Asia.

Mr Robert McNutt was appointed as a Non-Executive Director, as part of the Company's global expansion strategy, especially in the US. He brings decades of experience in leadership and deep insights into the US market within depth experience in the perishables and packaging sector, strong governance credentials, and extensive business networks that will be invaluable as Wiseway accelerates its organic growth in this region.

At the end of September, Mr Stephen Chan, Non-Executive Director, retired from the Wiseway Board. His extensive knowledge and expertise in the freight forwarding and supply chain industries were a valuable asset to the Board. We are grateful for his contribution and commitment to supporting the growth journey of Wiseway Group since he was appointed to the Board in March 2018, and we wish him all the best for the future.

As we continue our global growth strategy and expansion at pace, the Board is confident in the outstanding experience and track record of Wiseway's executive leadership team and look forward to the contribution of our Board members to the vision and global growth ambitions of the Company.

A challenging operating environment

The FY21 strong result was achieved against a persistent challenging backdrop due to the supply chain disruptions and ongoing impacts of the COVID-19 pandemic.

These pressures have highlighted many unseen vulnerabilities across the logistics sector and pleasingly Wiseway is one of the companies that had been marked out as one of the most resilient, collaborative and networked operators with clients, partners, and other key industry stakeholders.

With borders closed and airlines running at reduced capacity, Wiseway's track record, its lean operating platform, the established strategic partnerships in the industry and the trustworthy relationships the teams have built since inception have provided the Company with a unique competitive advantage.

Wiseway was able to keep its customers' supply chains open, and as an essential service provider, to continue to deliver diversified freight services. This in turn helped cement the relationships we have with existing customers and win new clients who were looking for a safe, reliable, and high-quality integrated logistics provider that caters to their everyday shipping needs.

It is this ability to solve challenges that secures our position as the trusted national trucking service partner for the world's leading airlines. They called on us during the lockdowns – as planes were grounded – to ramp up our services and provide increased road transportation links to cities and airports. We delivered.

Our response is a testament to the Company's heritage in the market, its established reputation for performance and its strong culture of expertise and reliability.

Wiseway continues to prioritise the safety and well-being of our staff in different regions, with carefully developed operational 'COVID-19 safe' procedures put in place to ensure a safe operating environment for both clients and employees.

The way forward

I now turn to our strategy and outlook.

While Wiseway was established in Australia, the Company had always had a global vision to become an integrated global freight logistics business. The three pillars of our global growth strategy are to Diversify, Integrate and Expand and we have been very disciplined in our execution of this strategy in 2021.

Our expansion efforts, always pragmatic and considered, go hand in hand with the adoption of new software platforms to capture process efficiencies within online booking, cargo scanning, and real-time tracking capabilities.

We have completed investments in the establishment of cool rooms and the fumigation of our facilities to handle the particular logistical challenge presented by these commodities, and our staffing capability has been enhanced to manage increasing volumes.

Every decision taken within Wiseway, from top to bottom, is based on how best to make our operations more efficient and provide our customers with the enhanced experience they expect.

Our lean operating platform and strategic partnerships are proving just as effective in winning new customers who are looking for an integrated logistics provider as they are in retaining our valued existing customer base who depend on us for their everyday shipping needs.

Over the next five years, we believe the majority of growth in the global freight industry will come from the US and the Asia Pacific. We have already laid the foundations to maximise the potential of these opportunities as they arise – and we have done so without raising debt and still delivering a profit amid disturbance and upheaval within the logistics market.

We will also continue to work to broaden non-traditional business segments including perishables – seafood, meat and milk exports, all prime examples – imports and distribution of e-commerce, to best cater for emerging consumer trends and preferences.

Our attention remains on cost-optimisation, upskilling of the talent within our ranks and the building of additional resilience and diversification across our revenue streams and product offerings.

Only through ensuring our services are agile, dynamic and dependable can we reinforce our position as our customers' trusted partner within the supply chain of the future.

Through this focus on our core business, ongoing strategic investment in our assets and global footprint and in building and protecting our reliable relationships, we will continue to be driven by our shared purpose and values.

Wiseway enters 2022 in a strong position, both financially and strategically, and is ready to seize on the opportunities for growth that will present as the world adapts to the 'new normal.'

ANNUAL GENERAL MEETING 2021

Managing Director Address

Good morning and thank you all for joining us online today. This is our third year as a listed company and sixteenth year of operations.

As the Chairman has mentioned, 2021 was a year of expansion and growth for Wiseway despite the ongoing challenges in our operating environment.

We started the year with the intent to continue our strategic investment program in order to diversify our income streams, further develop our operating infrastructure and team capabilities, and to achieve benefits of scale and drive growth opportunities in freight volumes and revenue through the expansion of our global footprint.

We continue to embrace a 'first-mover' approach, identifying new and emerging market trends early on and then actively and promptly pursuing the related future growth opportunities.

We have also established robust resource planning capabilities and risk management practices. This helped us to sustain the growth momentum in the business and successfully execute on our diversification strategy, while managing the persistent impacts of the COVID-19 pandemic and supply chain disruptions.

We emerge from 2021 in a strong financial and strategic position having reached major milestones in both our performance and operational objectives.

Strong financial performance and business momentum

First, allow me to share with you an overview of Wiseway's strong 2021 financial result.

WiseWay generated its first full-year Net Profit After Tax since listing in 2018 with \$1.8 million in NPAT achieved in FY21.

This milestone was a result of the Company's focus on organic revenue growth, prudent cost management, and economies of scale, following two years of robust strategic investment in the business. It demonstrates that even in a subdued operating environment, Wiseway continues to deliver steady and consistent growth.

Our revenue rose by 23.5 per cent to \$126 million, as we continued to provide essential integrated logistics services to our clients during difficult times.

Our gross profit went up by 12.8 per cent to reach \$30.8 million.

The Company recorded a 62 per cent uplift in Earnings Before Interest, Tax, Depreciation and Amortisation compared to the previous corresponding period (pcp), with EBITDA of \$8.1 million showing the benefits of our continued cost control discipline. This rise helped deliver a robust improvement of 1.5 ppts to the Company's EBITDA margin for the year.

Wiseway is in a solid financial position as at the financial year end with a strong balance sheet to support future business growth and potential strategic opportunities.

An integrated freight and logistics operator with diversified income streams

The strong efficiencies and capabilities within our network, and our efforts to establish a diverse income stream across growing segments and sectors, sets us apart from our competitors and strengthens our ability to deliver integrated services to clients around the world.

Performance across our key segments aligned with our forecasts. In 2021, perishables increased 127 per cent to \$19.5 million from \$8.6 million pcp. Our perishables segment consistently delivers growth year-on-year, driven primarily by seafood, fruits and vegetables, meat and dairy product exports.

Similarly, we have seen an acceleration in the shift to e-commerce as retailers increase their omni-channel offering to meet increasing customer demands. Our established system of warehousing and the expertise within our teams allows us to cater for this rise in volume, while our long-standing relationships with clients and key industry stakeholders positioned us well to address the backlog resulting from localised industrial actions and supply chain disruptions.

This ability to deliver consistent and reliable services to clients enabled Wiseway to win new customers in this growing segment who were looking to partner with a trusted and capable integrated logistics service provider.

The business has also seen a solid increase in demand for several of our core services, with notable growth achieved in the road transportation segment. Revenue across this segment increased 87 per cent over the period, rising from \$2.3 million in FY20 to \$4.3 million in FY21.

Step-change in global scale and reach – TAF Acquisition

Our global growth accelerated in 2021 with the completion of our first cross-border acquisition of Singapore-based TAF E-Logistics (Asia) Pte Ltd (TAF) in August 2021.

TAF is a leading operator that has been serving the Southeast Asia market for the last 30 years. Strategically located within Singapore Changi Airport's Airfreight Centre, it provides a full range of high-quality services across the region, including customs brokerage and clearance, local transportation and cross-border trucking.

This acquisition establishes our on-the-ground presence and supports our growth plans in Singapore, a global shipping and air cargo hub which is already an integral

shipping destination within our global network, as it is Australia's first inbound and outbound air freight trade destination.

This strategic acquisition will further enhance our capabilities and synergies within our key business divisions of air freight, perishables, and imports. It will also accelerate the diversification of our revenue streams, across our network particularly in the Asia Pacific markets. Our new presence at the heart of Southeast Asia's freight and logistics hub delivers valuable supply chain efficiencies and revenue synergies across our global network of shipping destinations.

We have already seen positive indications showing the valuable supply chain efficiencies delivered to our operations in Southeast Asia, which will benefit clients and offer them a broader range of cost-effective freight options that cater to their everyday shipping requirements.

Step-change in global scale and reach – Expansion in the US and APAC

Wiseway's strategic growth initiatives continued in June 2021 when we launched our US in-country operations through the opening of a new branch in California. This further enhances our presence and services in the US market via Los Angeles, Australia's second largest air freight destination.

The new branch expands our addressable market in the US, particularly opening up growth opportunities for the export of new lucrative higher-quality goods, including fruits and vegetables, live seafood,, aircraft and auto parts, which generate strong and consistent higher margin revenue.

We continue to explore future growth opportunities to strategically expand into other US cargo hubs, including Chicago and New York.

During the year, we also enhanced our capabilities in Shanghai and Guangzhou where our teams continue to drive organic growth in China and across the Asia Pacific region, including Singapore, Japan, Indonesia and Vietnam.

This is complemented by investment in the on-ground team in China to upskill and further establish our local expertise and industry connections.

Strong strategic position and globally scalable business model

As economies and societies around the world return to a new normal, we are embracing the lessons learned through the COVID-19 pandemic and the disruptions to global supply chains and pressures on talent and skills shortages that it caused.

During the first quarter of 2021, Wiseway was impacted by terminal closures, flight restrictions and other COVID-19-related constraints. However as always, we considered these challenges and determined what opportunities they presented for the business.

As a result, the Wiseway team leveraged our long-standing strategic industry partnerships and worked relentlessly with airlines, port operators, shipping lines and

local trucking companies to maintain operations during these tough market conditions in order to continue to support our clients.

We have emerged stronger than ever and reinforced the strong ties built over time with key industry stakeholders and with our clients.

That is a testament to Wiseway's heritage in the market, the trust and established relationships we have built with clients underpinned by our track record of reliability and high credit ranking.

The pandemic brought into focus the essential role of domestic and global supply chains in ensuring the movement of goods around the world. This meant that our people, considered frontline workers, have had to work tirelessly to manage through very difficult circumstances related to the impacts of COVID-19 in order to keep supply chains functioning effectively.

I would like to take a moment to thank our people, who embody our culture of innovation and commitment to delivering superior results for both our clients and our shareholders, despite the challenging operating environment.

Outlook

There is no doubt that the operating environment continues to be challenging however, Wiseway remains cautiously optimistic that the growth in the freight and logistics services sector will continue with the easing of the international supply chains pressures in the future.

For 16 years, Wiseway has presented a reliable and trusted service to customers. This heritage is now our greatest asset – winning new clients and securing the ongoing loyalty of established customers as we widen our presence and grow our business around the world.

We have established robust resource planning capabilities and risk management practices. This helped us to sustain the growth momentum in the business and execute successfully on our diversification strategy while managing the persistent impacts of the COVID-19 pandemic and supply chain disruptions.

The Company's Board and Management will continue to adapt to market challenges and maximise growth by leveraging our diversified business model across geographies, segments and products, while honing our capabilities to identify new market trends and seize emerging opportunities.

We look forward to 2022 and continuing to maximise outcomes for our shareholders and customers.