

**ASX Announcement**

30 July 2021

**Quarterly Activities Report***Wingara delivers strong revenue growth and positive operating cash flow***Q1 FY22 highlights:**

- **Strong underlying cash receipts of \$11.6 million, up 15.8% on Q1 FY21: \$10.0 million**
- **Positive operating cash flow of \$1.45 million**
- **JC Tanloden production output of 21.0 MT, up 77.4% on the pcp**
- **Austco Polar volume improved to 471k cartons, up 14.9% on the pcp**

**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 30 June 2021 (Q1 FY22).

**Commenting on Q1 FY22, Wingara's Independent Non-Executive Chair David Christie said:**

"We are pleased to see the results of the hard work put in by staff and management during H2 FY21 coming through in the early stages of FY22. In the first quarter we have seen strong volume and revenue growth, and we remain operating cash flow positive.

"JC Tanloden delivered another strong performance with 77% production growth to a new Q1 record. This was achieved through strong export demand and actively managing the assets preventative maintenance program. While conditions for Austco Polar remain challenging, we saw some operational improvement during the quarter, and the strategic review remains ongoing.

"New CEO James Whiteside commenced on 1 July 2021 (post quarter end) and joins at a point where we are seeing continued top line growth in our core and a number of efficiencies coming through across the business. This is allowing James to focus on strategic initiatives for sustainable long-term growth"

### Positive operating cash flow confirmed

(\$m)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	TOTAL	Q1 FY22
	Jun-20	Sep-20	Dec-20	Mar-21	FY21	Jun-21
<b>Receipts from customers</b>	10.02	9.13	10.19	10.48 <sup>1</sup>	39.82 <sup>1</sup>	<b>11.60</b>
<b>Net Cash from Operating activities</b>	0.73	0.23	0.18	1.01	2.15	<b>1.45</b>
<b>Hay volumes MT (JCT)</b>	11,839	14,135	16,771	22,830	65,575	<b>21,007</b>
<b>Available Hay MT (JCT)</b>	16,278	20,290	19,390	12,217	68,175	<b>10,520</b>
<b>Blast cartons (k) (Austco)</b>	410	413	426	425	1,674	<b>471</b>

Wingara has continued to maintain positive operating cash flow during the quarter, with \$1.45 million in operating cash generation – an improvement of 43.6% on the previous quarter.

The improvement in operating cash flows was driven by 10.7% growth in receipts from customers to a record \$11.6 million, underpinned by continued strong levels of production at JC Tanloden, in addition to the benefits of cost savings implemented in Q4 FY21.

#### JC Tanloden

- Q1 FY22 hay production grew 77% on Q1 FY21 to 21,007 MT. This was a new record first quarter and broadly in line with the seasonal peak experienced in Q4 FY21.
- Revenue growth followed the strong trend in volume on strong demand from export customers
- Available hay reduced to 10,520 MT reflecting continued optimisation of inventory management for shorter turnover cycles and higher volumes of production

#### Austco Polar Cold Storage

- While the market environment remained challenging, blast carton volumes improved modestly during the quarter.
- Management has implemented a Program to fast track a number of margin improvement initiatives.
- The Strategic review of the business going forward is continuing.

<sup>1</sup> Excluding bad debt of \$0.93 million

## Financial update

Receipts from customers were \$11.6 million for Q1 FY22. The table below provides a summary of Receipts and Expenditures and business activities for Q1 FY22 (refer also the accompanying Appendix 4C):

	<b>Q1 FY2022 (3 months to 30 Jun 2021) \$'000</b>	<b>FY2022 (YTD) \$'000</b>
Receipts from customers	11,599	11,599
Operating costs	(6,601)	(6,601)
SG&A (corporate overhead)	(3,543)	(3,543)
Investing activities	(686)	(686)
Financing payments / receipts	(1,027)	(1,027)

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

Payments to related parties over Q1 FY22 were \$103k, 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:

Ronn Bechler  
 Market Eye  
 P: +61 (0) 400 009 774  
 E: [ronn.bechler@marketeye.com.au](mailto:ronn.bechler@marketeye.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")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,599	11,599
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,116)	(3,116)
Hay Purchases	(3,485)	(3,485)
(c) advertising and marketing	(23)	(23)
(d) leased assets	-	-
(e) staff costs	(2,925)	(2,925)
(f) administration and corporate costs	(180)	(180)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(415)	(415)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,454</b>	<b>1,454</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	(555)	(555)
(d) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(e) intellectual property		
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	2	2
(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)	(133)	(133)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(686)</b>	<b>(686)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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	480	480
3.6 Repayment of borrowings	(469)	(469)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(71)	(71)
Payment for leased assets (i)	(967)	(967)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1,027)</b>	<b>(1,027)</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.*

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	1,920	1,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,454	1,454
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(686)	(686)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,027)	(1,027)
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>1,661</b>	<b>1,661</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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,661	1,661
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>1,661</b>	<b>1,661</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	103,107
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. 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	13,276	11,073																																
7.2	Credit standby arrangements	40	-																																
7.3	Other (please specify)																																		
7.4	<b>Total financing facilities</b>	<b>13,316</b>	<b>11,073</b>																																
7.5	<b>Unused financing facilities available at quarter end</b>		2,165																																
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%;"> <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;">5,000</td> <td>BBSY + 1.42</td> </tr> <tr> <td>Westpac Facility - Elect Performance Group</td> <td style="text-align: right;">1,161</td> <td style="text-align: right;">1,161</td> <td>BBSY + 1.72</td> </tr> <tr> <td>WBC BBBL</td> <td style="text-align: right;">1,920</td> <td style="text-align: right;">1,920</td> <td>BBSY + 1.67</td> </tr> <tr> <td>Asset finance facility</td> <td style="text-align: right;">3,596</td> <td style="text-align: right;">2,992</td> <td>4.94%</td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">1,600</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>13,316</b></td> <td style="text-align: right;"><b>11,073</b></td> <td></td> </tr> </tbody> </table>	Facility	Facility Limit (\$,000)	Drawdown (\$,000)	Interest Rate	Inventory Loan Facility	5,000	5,000	BBSY + 1.42	Westpac Facility - Elect Performance Group	1,161	1,161	BBSY + 1.72	WBC BBBL	1,920	1,920	BBSY + 1.67	Asset finance facility	3,596	2,992	4.94%	Bank overdraft	1,600	-	4.59%	Corporate Card	40	-		<b>Total</b>	<b>13,316</b>	<b>11,073</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)	1,454
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,661
8.3	Unused finance facilities available at quarter end (item 7.5)	2,165
8.4	Total available funding (item 8.2 + item 8.3)	3,826
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:	

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: 30/07/2021.....

Authorised by: The Board of Directors .....  
(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.