

FY21 Full Year Results Presentation

David Christie (Chair) & Zane Banson (Interim CEO)

Investor briefing | May 2021

“Well placed for growth”



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FY21 Growth during challenging external & internal conditions

A year of challenges...

JC Tanloden

- Reduction in scheduled services by shipping lines raising logistic costs
- Depreciation of the US dollar impacting revenue growth
- Hay supply contracts and harvest season were unfavourable leading to lower quality hay at above-market prices

Austco Polar Cold Storage (APCS)

- Weakening global export demand along with shipping delays impacting our customers

Corporate

- Lack of transparency saw the loss of key customers across both segments increasing debt recoverability risk (fully provided for)
- Project review and change in priorities lead to impaired capital projects

... and transformation

- Independent Chair and Board appointed and committed to instilling robust corporate governance and oversight across the business
- Complete review of roles and responsibilities lead to a corporate restructure
- Change management and increased transparency already seeing results:
 - Record production in Q4 for JCT
 - Annualised savings of \$1m executed for FY22
 - Complete business asset and corporate strategy review undertaken

Well placed for growth

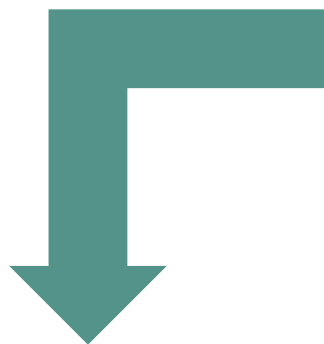
- Change in strategic focus - back to core
- James Whiteside appointed as CEO to a refreshed and motivated Executive Team
- Strong export demand expected to continue into FY22
- Upcoming harvest season looking optimistic
- Deliver further cost reduction through process improvement
- Continued investment in engineers and maintenance to reduce asset downtime and increase production
- Continue to build strong and long-term relationships with growers and export customers
- Access to debt and capital markets for organic and non-organic scale

Our commitment to our employees



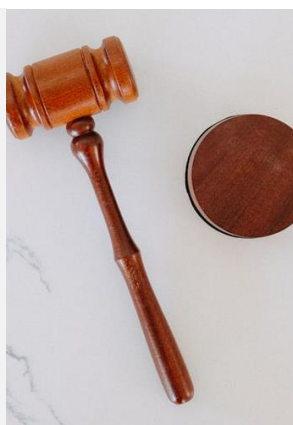
Corporate governance and oversight

Independent Chair and Board appointed and committed to instilling robust corporate governance and oversight across the business to ensure operational health & safety, wellbeing & welfare of employees, compliance and timely reporting.



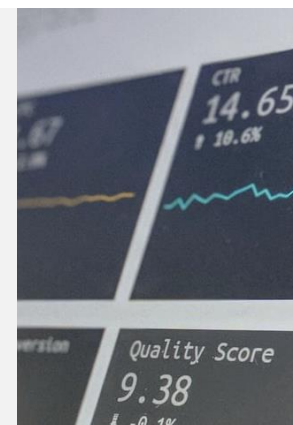
Wellbeing & welfare

- Employee Assistance Program available to all employees
- Policies have been developed to ensure all our employees have equal access to training, recruitment and promotions based on their skills, experience and competence.



Compliance & reporting

- Establishment of Group risk matrix
- Periodic inhouse / external reviews undertaken to ensure facilities are compliant
- Enhanced periodic reporting on injuries and incidents enabling preventative action to be taken



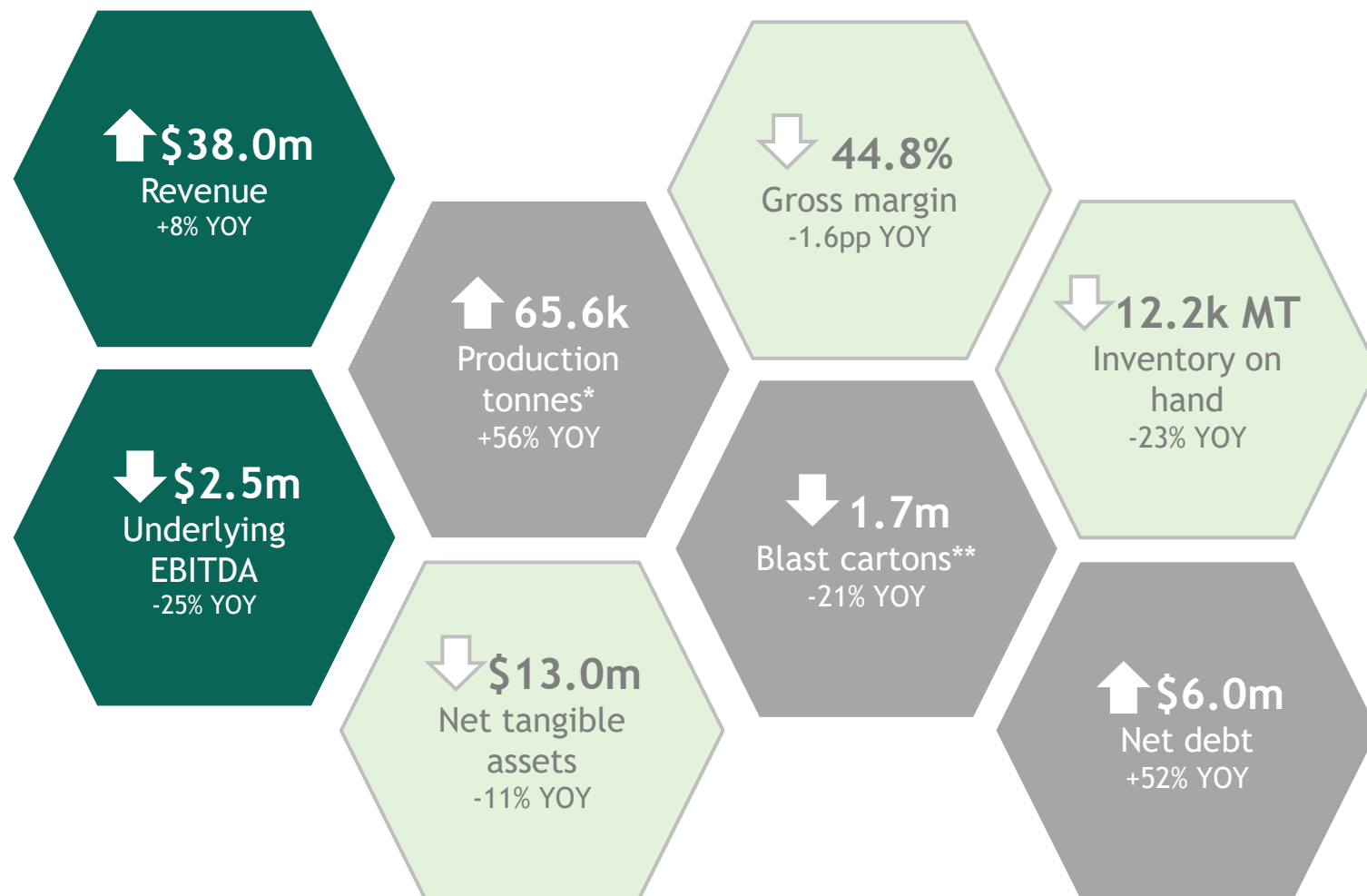
Operational health & safety

- Established Group OH&S Policy
- Controls implemented for all machinery
- Mandatory supply of PPE, training and Tool Box Talks
- Measure, monitor and prevent environmental risks

FY21 Financial results

Zane Banson, Interim CEO

FY21 Wingara headlines



Key comments (vFY20):

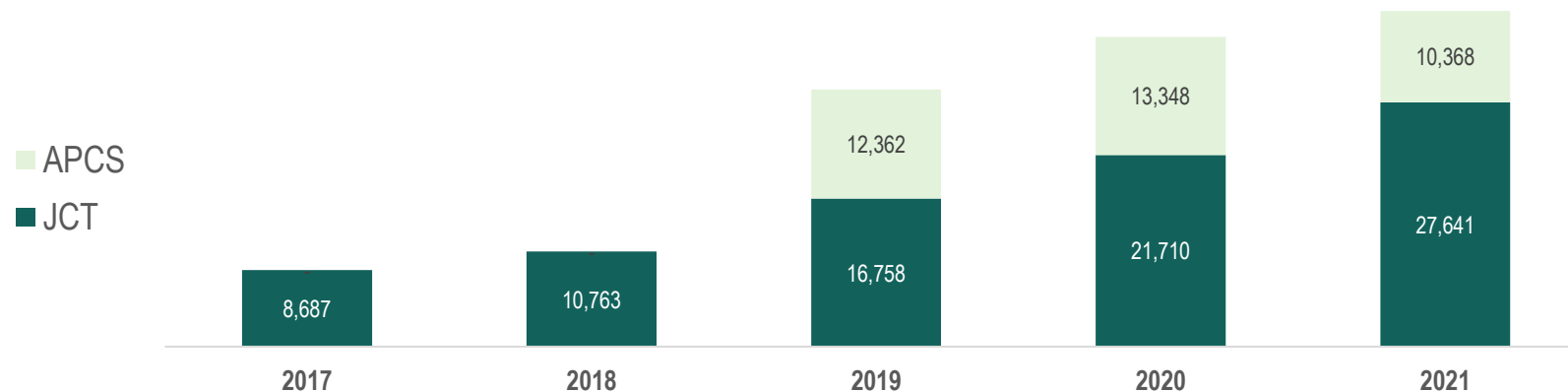
- **Revenue** up \$3.0m (or 8%), resilient despite challenging market conditions
- **Underlying EBITDA** down by 25% at \$2.5m. A challenging year for Austco Polar Cold Storage and higher operating costs for JCT
- Record JCT Tanloden **annual production volumes**, particularly in Q4 FY21, reaching 65.6kMT
- **Blast carton volumes** were 1.7m, down 21% reflective of unfavourable macro economic environment
- **Inventory on hand** is 12.2MT (down 23%), right-sized following a review of inventory management strategy underpinned by working capital restrictions
- **Net debt** (excluding finance leases) \$5.9m, with borrowings to net asset ratio at 0.5 (+0.1pp)

*Production tonnes refers to hay production for the JCT Tanloden business

**Blast cartons refers to meat cartons for the Austco Polar Cold Storage business

Historical underlying results

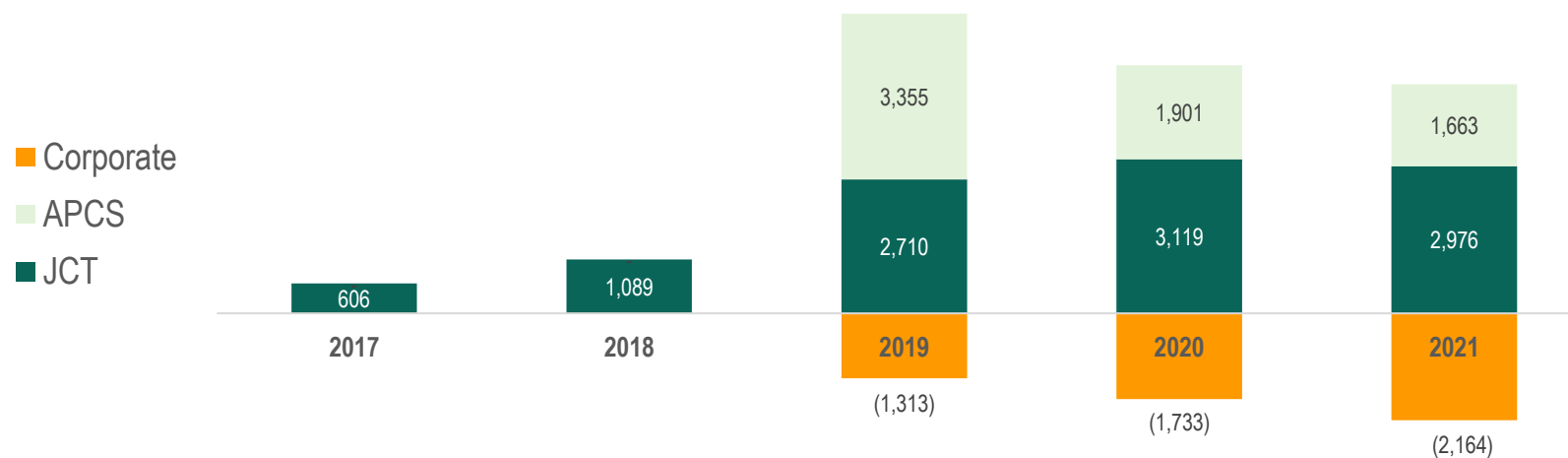
Revenue (\$'000)



Revenue

- Strong YoY revenue growth for JCT despite challenges faced in FY21
- Consolidated CAGR since the acquisition of APCS is 14.2%; JCT increasing by 28.4%; offset partially by APCS decreasing by 8.4%
- Consolidated CAGR since 2017 is 44.6% including the acquisition of APCS in 2019

EBITDA (\$'000)



EBITDA

- CAGR for JCT is 48.9% since 2017, whilst for APCS is -29.6% since acquisition date
- APCS strategic review underway for best asset utilisation
- \$1m of annualised corporate overhead savings expected in FY22

Operations resilient despite COVID-19

Income statement - Underlying (\$'000)	FY21	FY20	Change
Revenue	38,009	35,058	+8%
Gross profit	17,036	16,271	+5%
<i>GP Margin</i>	<i>45%</i>	<i>46%</i>	
Other income	680	185	+268%
Operating and overhead costs	(15,241)	(13,169)	+16%
EBITDA	2,475	3,287	-25%
<i>EBITDA margin</i>	<i>7%</i>	<i>9%</i>	
Depreciation and amortisation	(2,899)	(2,467)	+18%
Project and transaction expenses	59	(2,144)	-103%
EBIT	(365)	(1,324)	-72%
Finance costs	(2,576)	(2,021)	+27%
Income tax expense	(229)	(107)	+114%
NPAT	(3,170)	(3,452)	-8%
Reported EBITDA*	1,149	3,287	-65%
Reported EBIT*	(3,428)	2,915	-218%
Reported NPAT*	(6,233)	787	n.m

*A reconciliation of underlying to reported results is provided in the appendices

Wingara Group summary:

- Revenue up \$3.0 to \$38.0m, in line with growth in cash receipts
 - JC Tanloden production output up 56% to 65.6k MT per annum
 - Austco Polar volumes resilient in challenging conditions
- Maintained underlying EBITDA profitability at \$2.5m (FY20: \$3.3m)
 - Logistic costs high due to globally reduced scheduled shipping services
- Underlying EBIT loss of \$0.4m (FY20: \$1.3m loss)

JC Tanloden: Achieves 75% production capacity milestone

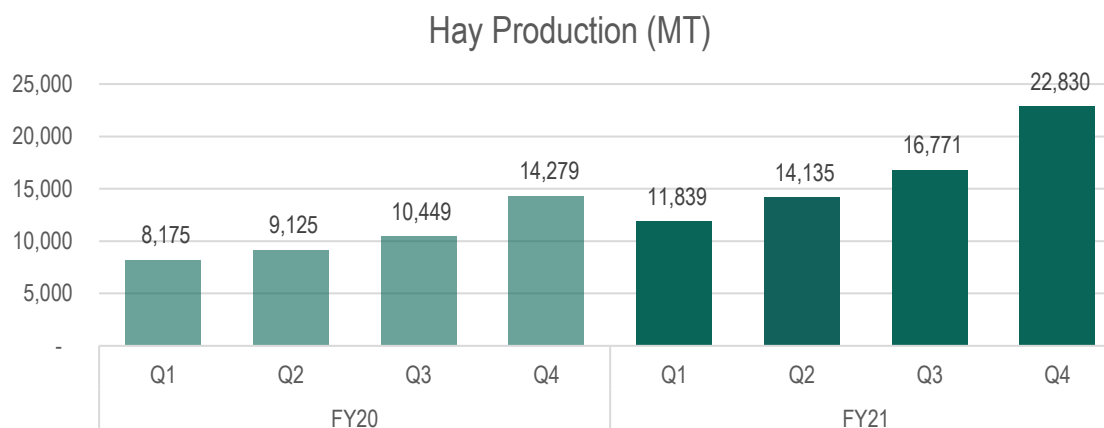


Revenue
+27%

Production
+56%

Underlying
Segment
EBITDA
-5%

Segment performance - Underlying (\$'000)	FY21	FY20	Change
Segment revenue	27,641	21,710	+27%
Segment EBITDA	2,976	3,119	-5%
<i>EBITDA margin</i>	<i>11%</i>	<i>14%</i>	
Depreciation, finance costs and transaction costs	(2,059)	(2,096)	-2%
Income tax expense	0	9	-100%
NPAT	917	1,032	-11%
Production tonnes	65.6	42.0	+56%
Reported EBITDA	2,155	3,119	-31%
Reported NPAT	(1,047)	1,032	n.m



- FY21 production was up 56% to 65.6kMT
- Capacity utilisation surpassing 75% in Q4 FY21 target due to improved Total Preventive Maintenance (TPM)
- Strong YOY revenue growth of 27% supported by 56% volume growth.
- EBITDA margin down YoY by 3pp driven by increased logistic surcharges with reduced shipping services caused from COVID-19
- Overall demand remained strong, with key Asian economies continuing their recoveries post COVID-19 and stable demand from China

Austco Polar Cold Storage: strategic review underway



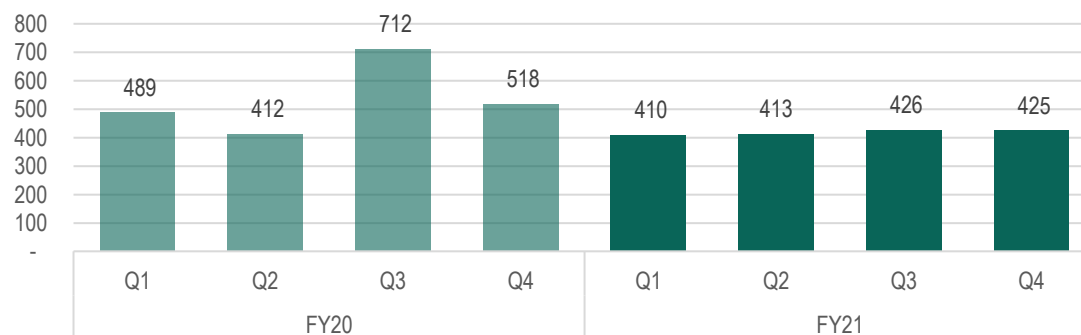
Revenue
-22%

Blast
cartons
-21%

Underlying
Segment
EBITDA
-13%

Segment performance - Underlying (\$'000)	FY21	FY20	Change
Segment revenue	10,369	13,348	-22%
Segment EBITDA	1,663	1,901	-13%
<i>EBITDA margin</i>	<i>16%</i>	<i>14%</i>	
Depreciation, finance costs and transaction costs	(3,452)	(2,878)	+20%
Income tax expense	0	13	-100%
NPAT	(1,789)	(964)	+86%
Blast cartons	1,674	2,131	-21%
Reported EBITDA	1,345	3,285	-59%
Reported NPAT	(2,466)	(964)	n.m

Blast throughput (thousand cartons)



- Business remains impacted by contractions in livestock markets and lower volume of slaughter rates over the past 18 months as a flow on from the drought and cattle restocking
- Blast carton volumes improved in H2 FY21 over H1 FY21, though not expected to be a precursor to recovery in FY22; overall down 21% YoY.
- Revenue has contracted by 22% in-line with blast carton volume performance.
- Management focus on cost control during non-peak periods
- Underlying EBITDA fell 13% to \$1.7m.
- Board and management are currently reviewing optimal utilisation for the asset, in line with the strategic direction of Wingara

Balance sheet

31 March 2021 Balance Sheet (\$'000)	FY21	FY20	Change
Cash and cash equivalents	1,920	3,449	-44%
Trade and other receivables	3,458	2,548	+36%
Inventories	2,070	4,100	-50%
Other	640	262	+144%
Total current assets	8,088	10,360	-22%
Fixed assets (incl. ROU)	43,990	42,451	+4%
Intangibles	1,816	1,816	-0%
Deferred tax assets	0	403	-100%
Other assets	137	288	-52%
Total non-current assets	45,943	44,958	+2%
Total assets	54,031	55,318	-2%
Trade and other payables	6,618	6,156	+8%
Borrowings	5,606	966	+480%
Lease liabilities	1,538	1,423	+8%
Other	677	968	-30%
Total current liabilities	14,439	9,513	+52%
Borrowings	2,266	6,402	-65%
Lease liabilities	22,369	22,875	-2%
Other	100	87	+15%
Total non-current liabilities	24,735	29,364	-16%
Total liabilities	39,174	38,877	+1%
Net assets	14,857	16,442	-10%

Net debt (excluding leases)	5,952	3,919
Borrowings to net assets ratio	0.53	0.45

- Trade and other receivables increased to \$3.5m reflective of revenue growth
- Inventories YoY decrease of 50% due to:
 - Review of inventory valuation in a mark-to-market reduction of \$0.5m
 - Right-sizing post inventory management review to optimise for working capital availability (shorter turnover cycles and higher volumes of production)
- Trade and other payables increased by 8% to support revenue growth
- Total borrowings of \$7.9m (excluding leases and asset finance) with borrowings to net assets ratio at 0.5 (+0.05pp)

Cash flow

31 March 2021 Cash flow statement (\$'000)	FY21	FY20	Change
Receipts from customers	37,332	34,167	+9%
Payments to suppliers and employees	(36,530)	(30,634)	+19%
Grant income	505	0	+100%
Interest received	0	5	n.m
Finance costs and tax paid	(990)	(2,021)	-51%
Net cash from operating activities	317	1,517	-79%
Purchase of plant and equipment	(3,932)	(2,044)	+92%
Investment in security deposit	(118)	0	+100%
Proceeds/payments from sale of fixed assets	33	21,033	-100%
Net cash (used in)/from investing activities	(4,017)	18,989	-121%
Proceeds from issuance of ordinary shares	4,723	0	+100%
Net proceeds from borrowings	504	(15,751)	-103%
Repayment of lease liabilities	(3,055)	(1,397)	+119%
Net cash (used in)/from financing activities	2,172	(17,148)	-113%
Net increase / (decrease) in cash	(1,528)	3,358	-146%
Cash at beginning	3,449	91	n.m
Cash at end	1,921	3,449	-44%

- Strong cash receipts from customers ending at \$37.3m, up by 9% YoY
- Net cash from operating activities is \$0.3m, down 79% YoY
- Total investment in plant and equipment is \$3.9m, up by 92% YoY to drive higher production throughput
- Net cash used in financing activities include:
 - A capital raise of \$4.7m (net of transaction costs) in Aug-20
 - Net proceeds from borrowings of \$0.5m; and
 - Lease repayments of \$3.1m (up YoY due to AASB16 classification of operating leases)
- Cash as at 31 March 2021 is \$1.9m, down from prior year by 44%

Outlook & Strategy

David Christie, Chair

James Whiteside appointed as CEO, commences 1 July 2021

Completes Wingara's executive management team

- 28 years' agricultural sector experience, including 13 years in executive roles:
 - CEO of AUSVEG – Australia's major horticultural body
 - Incitec Pivot – roles included Group COO and COO of Fertiliser business
 - Strong understanding of agricultural value chains, including sourcing, logistics, price risk management, export market development and international trade

Excited for its market position and sustainable growth opportunity, James commented:

"Wingara has enormous opportunities to grow, and I am excited to be given the opportunity to lead the Company's team to drive this growth. I'm looking forward to bringing my skills and experience to Wingara and working collaboratively with the Board to deliver on the Company's potential, support Australian farmers, provide customers with high quality products, and grow long term shareholder value."

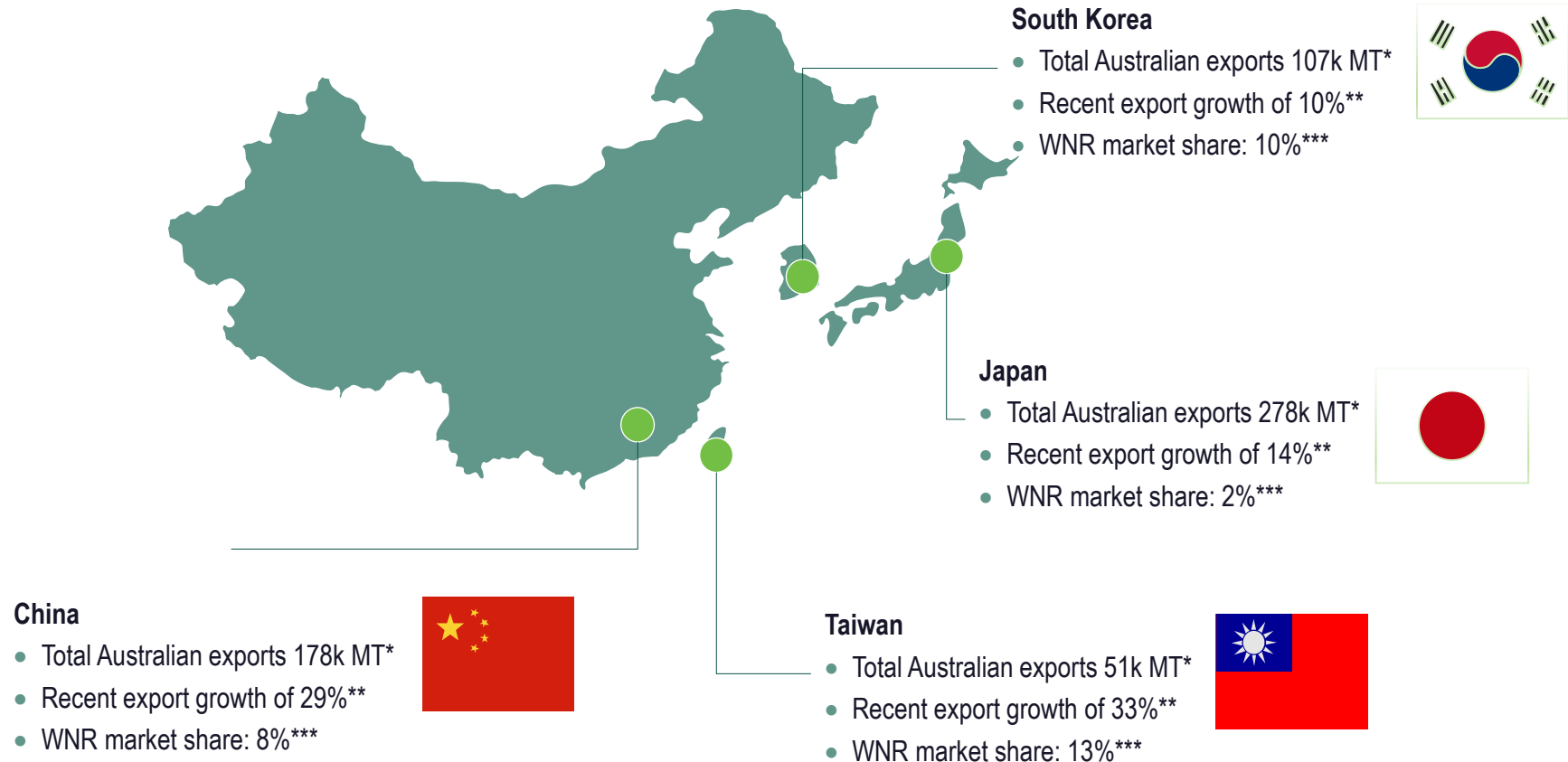
Interim CEO Zane Banson will be returning to his CFO role and is looking forward to collaborating with James going forward.



JC Tanloden well placed in FY22 - high demand in large market opportunity

Current markets

- JC Tanloden has a strong market position in Taiwan and expects to maintain this going forward
- The company is well positioned in China
- There is scope to increase market share in all markets in FY22 and beyond
- Other export markets are currently being explored to support long term volume growth



*Source AFIA ABARES Hay Exports. Based on 6 months ended 30 June 2020

**Compared to previous 6 month period

***Estimated based on 6 months ended 31 March 2021

FY22 outlook

01

Return to core: change in strategic focus to Hay exports

- Expect to carry strong volume run-rates into FY22 at improved level of efficiency with export market demand expected to continue to exceed supply
- Focus on relationships both with growers and customers
- Market consolidation: continue to assess strategic acquisitions and expand geographical access
- Looking at new export market entries and the addition of other fodder products

02

Strategic review for APCS, cold storage segment

- Challenging industry conditions not expected to abate in the near term
- Business as is – focus on:
 - Expand customer base
 - New revenue streams
 - Optimise revenue mix and increase toll services
 - Manage to break-even to minimise cash burn
- Strategic review of business going forward

03

Build trust and maximise returns for shareholders

- \$1m annualised cost savings achieved in Q4 FY21 – full year effect in FY22
- Implementation of Lean Program across all business segments; full review to minimise waste and improve cost effectiveness
 - Streamline operational processes
 - Optimise labour force
 - Improve domestic gross margins

Reconciliation: Reported to Underlying results

(\$'000)	Reported FY21	Bad debts expense ¹	Forfeiture of deposit ²	Transaction costs ³	Disposal of fixed assets	Share-based payments ⁴	Mark-to- market inventory adjustment ⁵	Restructure costs ⁶	Impairment of capital projects ⁷	Underlying FY21
Revenue	38,009									38,009
Gross profit	16,375						661			17,036
Other income	680									680
Operating and overhead costs	(15,906)		268			(99)		496		(15,241)
EBITDA	1,149	0	268	0	0	(99)	661	496	0	2,475
Net gain / (loss) on disposal of fixed assets	(13)				13					0
Depreciation and amortisation	(2,899)									(2,899)
Impairment of receivables	(978)	978								0
Project and transaction expenses	(687)			250					496	59
EBIT	(3,428)	978	268	250	13	(99)	661	496	496	(365)
Finance costs	(2,576)									(2,576)
Income tax expense	(229)									(229)
NPAT	(6,233)	978	268	250	13	(99)	661	496	496	(3,170)

NB: FY20 underlying results excludes disposal of fixed assets of \$4,239 thousand

¹Bad debts relate to an international customer

²Lost deposit as a result of rescinding Epsom (JCT) site purchase agreement

³Costs incurred pertaining to M&A activity

⁴Relates to write-back of forfeited share-based payments as part of restructure

⁵Adjusting the cost of inventory on hand as at 31 March 2021

⁶Review of roles and responsibilities lead to a corporate restructure

⁷Project review and change in priorities lead to impaired capital projects

Enabling Australian agricultural products to reach end markets

WNR's business model:

- Owns and manages critical export infrastructure assets within the protein supply chain
- Diversified revenue model based on throughput
- Capitalise on our global trading network
- Partnership with primary producers with a greater access to products for export
- Diversification through multi-products

WNR's mission is to enable products to reach end consumers efficiently and securely, with provenance

WNR's growth strategy is to build a supply chain platform based on acquisition and organic growth

The company has established two business divisions based on our growth strategy: Fodder (JC Tanloden) and Red Protein Export Service (Austco Polar)



Business Model: Processor and marketer of fodder products including oaten, wheaten, barley, canola hay and straw

Assets: Two sites; Epsom & Raywood, Victoria providing a combined 110,000 MT processing capability and 30,000 MT storage capacity

Markets: China, Taiwan, Japan and Korea



Business Model: Value-add and logistic services for red meat export including blast freezing and cold storage

Assets: Laverton, VIC across 1 Hectare. Blast freezing throughput of 45,000 packs per week plus storage capacity of 10,000 standard size pallets

Markets: Export accredited to key destinations including China, Japan, Korea, EU, USA, Middle East (including Halal certification)

A diversified agricultural products platform

WNR has built a sustainable platform for processing and marketing agricultural products – more products can be added at the appropriate time



- A highly scaleable model that unlocks value in Asian export markets
- Ability to capitalise on opportunities in the 'protein supply chain' that meet Asian demand characteristics which are driven by the need for increased 'food security'

JC Tanloden: 2021/22 harvest season looking optimistic

- After a difficult end to the last hay-growing season, signs are looking more positive for the 2022 harvest.
- Rainfall for Jun-21 to Aug-21 is forecasted to be above average for JCT key catchment areas with chance of exceeding median greater than 60%.
- Rainfall outlooks indicate probability of good crop growth and the opportunity to capitalise on a year of premium-quality hay with strong international demand.

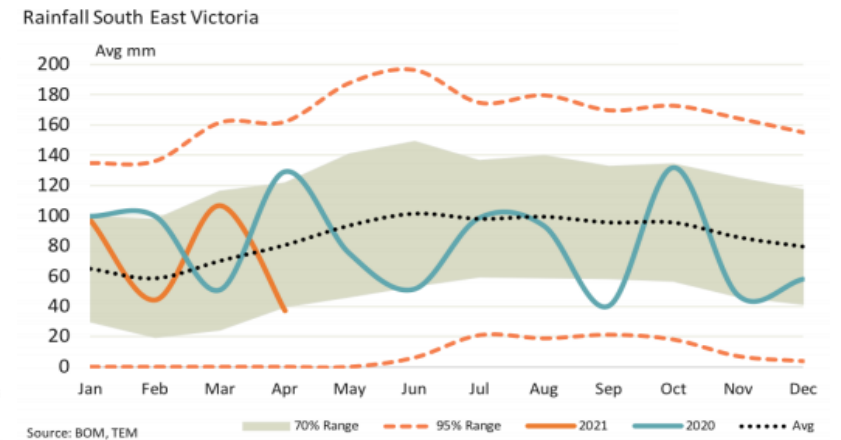
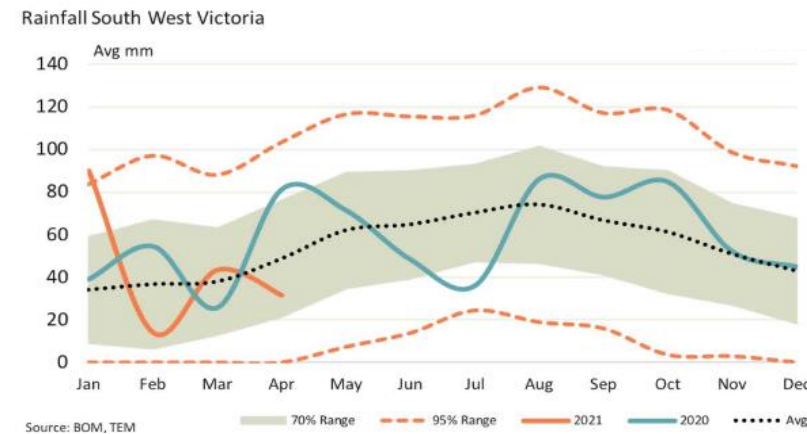
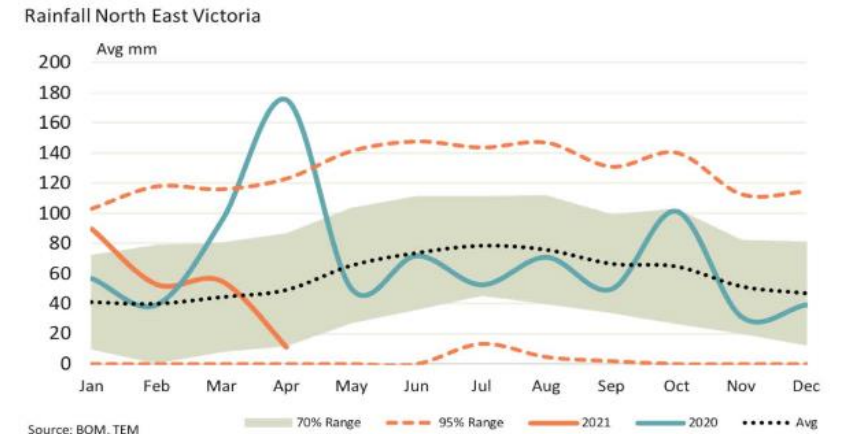
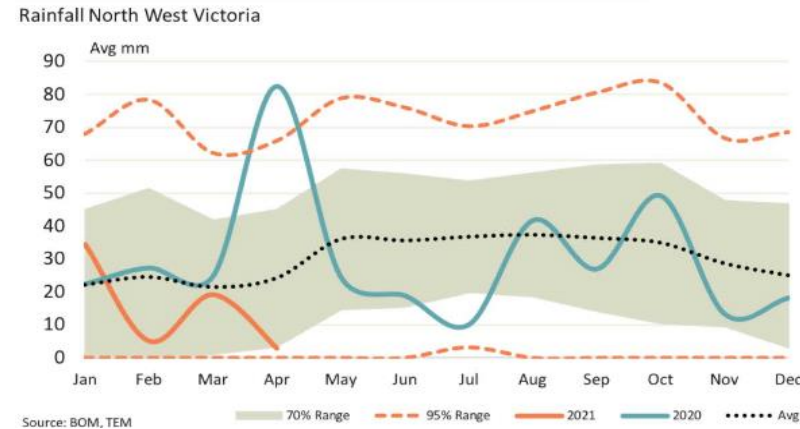
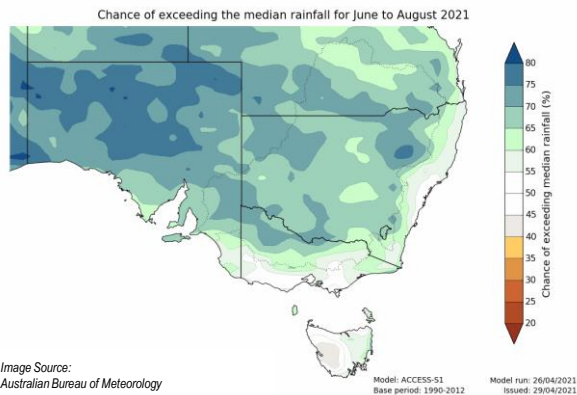
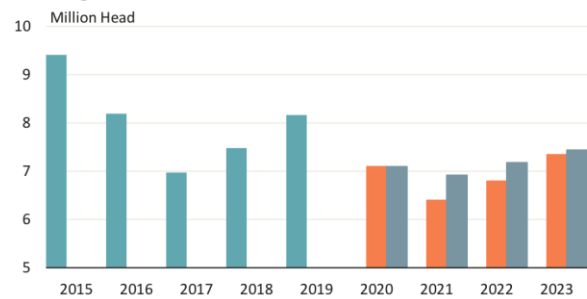


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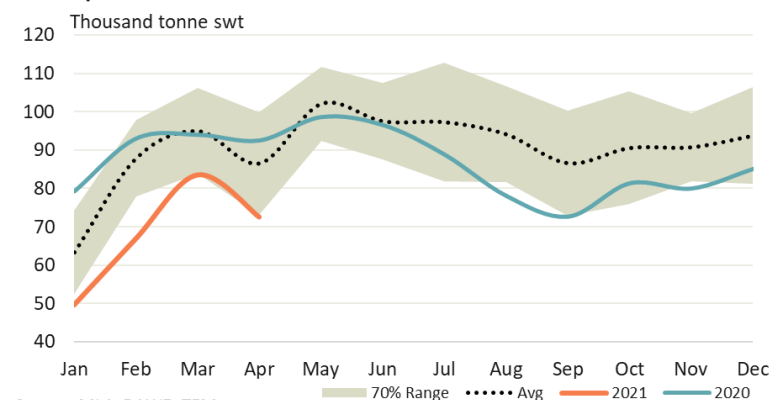
Austco Polar Cold Storage: no signs of short-term recovery

- Australian red meat processing and export is where the majority of Austco Polar's customers' activity is concentrated. A combination of macroeconomic uncertainty across global markets, and the cyclical restocking of beef herds across the country have combined to dampen outlook at APCS.
- Total Australian beef exports have fallen 13% during April alone, with the Chinese market showing the greatest reduction of 38%. Mutton exports fell similarly, down 22% on March levels.
- Australian lamb proved most resilient, with only a 4% reduction on March levels, and tracking reasonably close to average at this stage.
- Given APCS's role as a service provider, volume levels are significantly influenced by customer adaptability to current market conditions and product diversification.

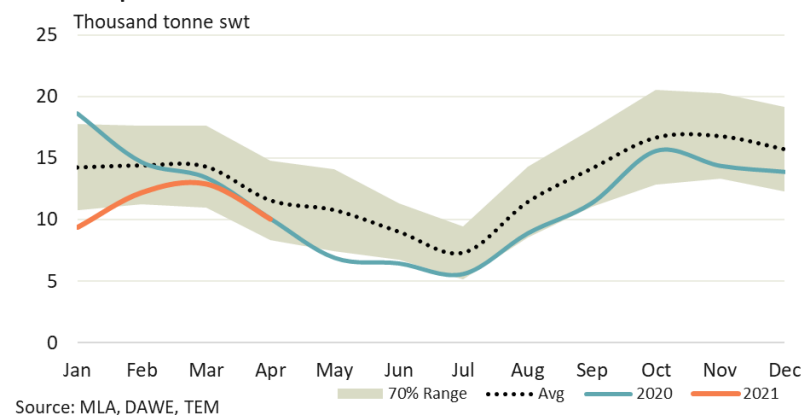
Cattle Slaughter Estimates



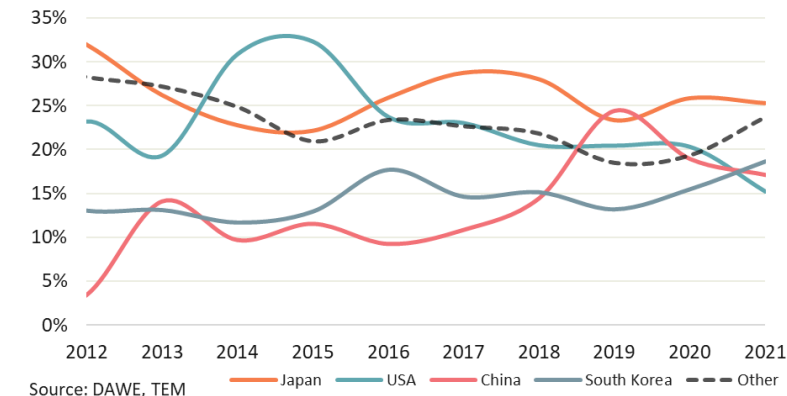
Beef Exports - Total



Mutton Exports - Total



Beef Exports - Top Destinations



Lamb Exports - Total

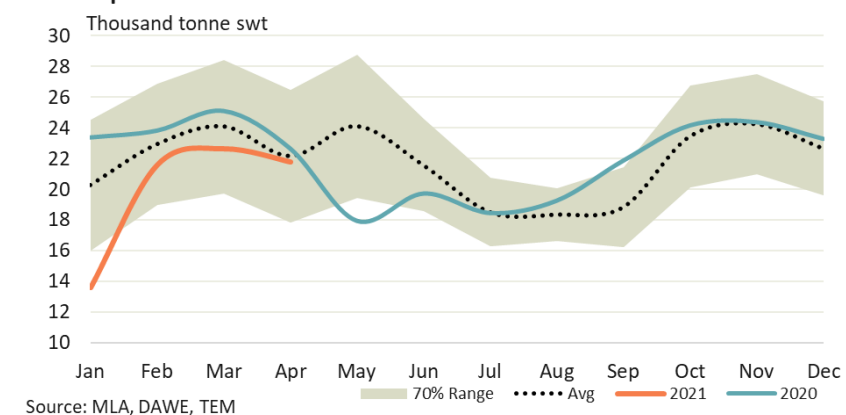


Image Source:





We connect primary producers to the global market
efficiently through our protein supply chain.

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