

Wiseway Group Limited

AGM 2019 Presentation



Thursday, 21 November 2019

WISEWAY

Welcome to the
Annual General Meeting
of Wiseway Group Limited
(ASX: WWG)

Agenda

1. Introduction

2. Chairman's Address

3. Chief Executive Officer's Address

4. Formal Business

5. Items of Business:

- i Financial Statements and Reports
 - ii Remuneration Report
 - iii Election of Michael Hughes as a Director
 - iv Termination benefits to Mr Mark Ziirsen
-

6. Closing of Meeting



Chairman's Address

Mr Michael Hughes

FY19 Key Milestones

1. COMPETITIVE POSITIONING	✓ Approved for Regulated Air Cargo Agent designation: Sydney, Melbourne, Brisbane, Perth ✓ Adelaide recently approved for RACA designation and bonded warehouse capability ✓ Business development office opened in Shanghai, China ✓ Committed to expand operations to Auckland, New Zealand
2. ADVANCING SCALE	✓ Purchased 8,900m² property adjacent to existing Chipping Norton operation to cater for future growth ✓ Melbourne operations expanded with additional 2,400m² facility at Tullamarine ✓ Warehousing/facilities in Sydney, Melbourne, Brisbane, Adelaide and Perth, plus Darwin¹
3. POSITIONED FOR GROWTH	✓ Platform in place with no further no capital expenditure required ✓ Strong balance sheet well-positioned for future growth ✓ Inbound airfreight going strong ✓ Partnership with AZ Global with deep roots in China

Notes:

1. Darwin branch is managed by an exclusive local agent

Outlook

- Continued strengthening of our global logistics platform
- Delivering efficiencies in the highly fragmented national logistics industry
- Expanding our network of offshore partnerships
- Targeting growth through our strategic partnership with AZ Global



Chief Executive Officer's Address

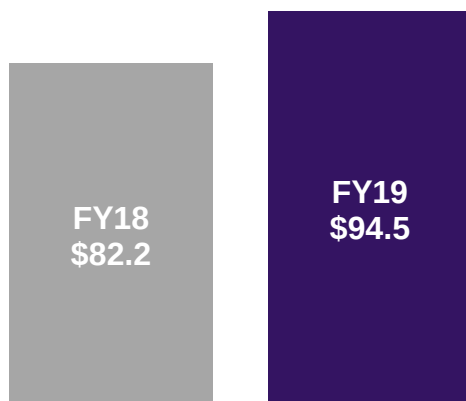
Mr Roger Tong

Strong FY19 Performance

- Strong revenue growth, up 15% and in line with the Company's revised guidance
- Gross margin up 280 basis points: momentum in perishables and imports
- EBITDA of \$2.8 million

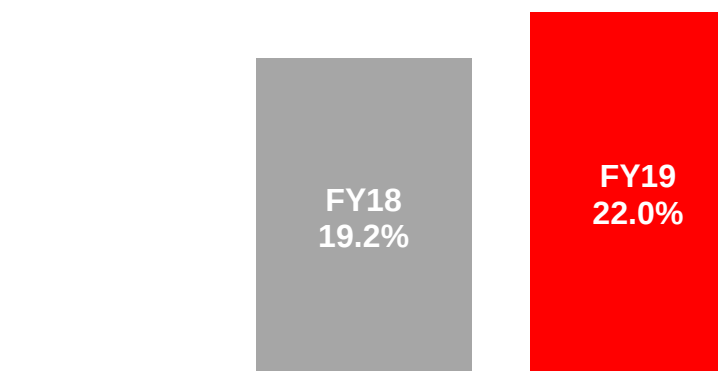
Revenue (\$ million)

+15%



Gross margin (%)

+280 bps

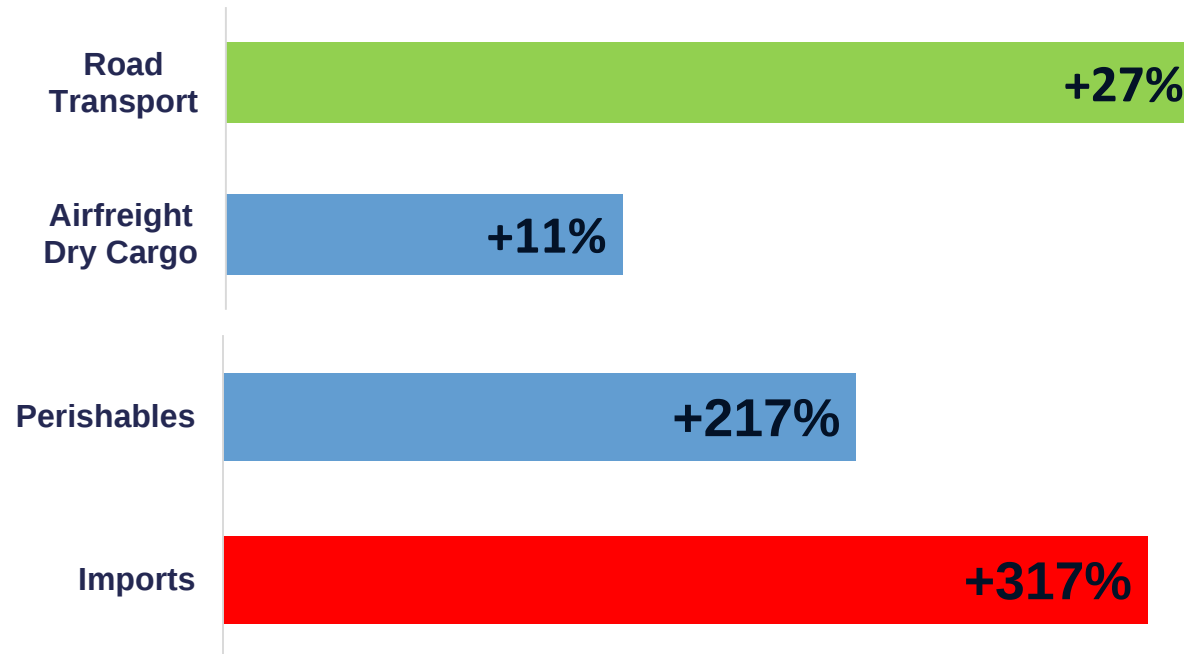


Note: FY19 Financials are Pro-forma to exclude IPO associated costs

Strong Revenue Growth Across All Divisions

- Driven by outbound air freight volumes of approximately 71,000 tonnes
- Designated as Regulated Air Cargo Agent enables scanning and examination of outbound air cargo improving margins

Growth in revenue by division



Balance Sheet Strength Supports Future Growth Opportunities

- IPO raised \$20 million capital
- 30th June 2019 - total assets of \$46.8 million (vs \$17.9 million in pcg)
- 30th June 2019 - total liabilities of \$24.3 million (vs \$16.1 million in pcg)
- 30th June 2019 - total equity of \$22.6 million

Investment Delivers Regional Logistics Capability

AUSTRALIA

- ✓ Achieved RACA accreditation
- ✓ Added bonded warehouse capabilities
- ✓ Expansion of Chipping Norton property
- ✓ Increase warehouse capacity in Adelaide, Melbourne and Perth
- ✓ Installation of security and x-ray machines across all warehouses.
- ✓ Increasing the fleet of trucks

NEW ZEALAND

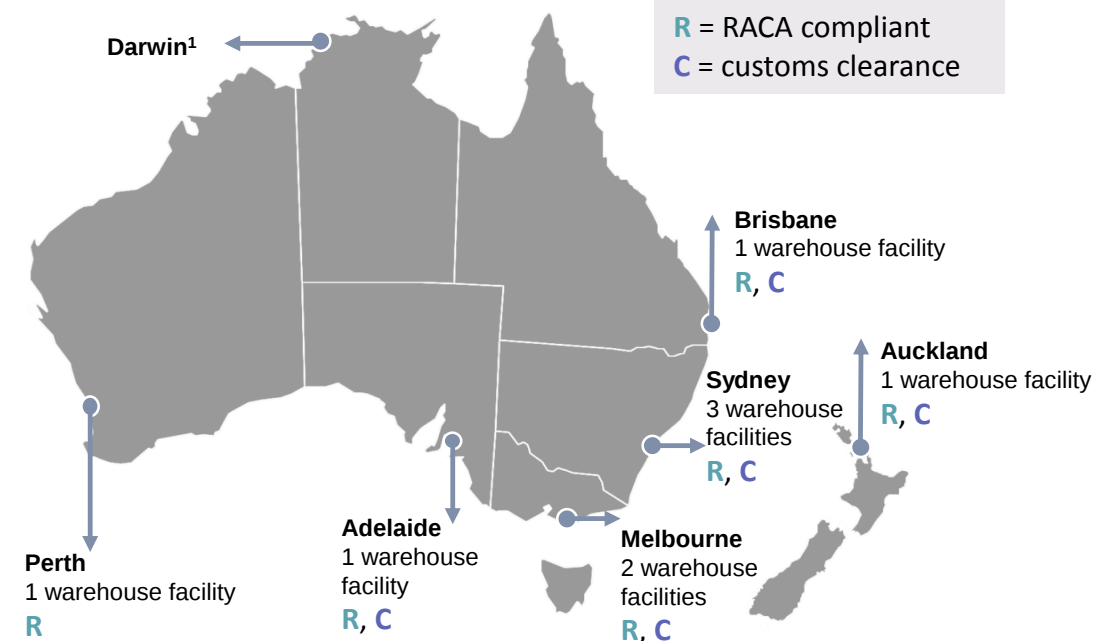
- ✓ Achieved RACA and MPI accreditation
- ✓ Designated Customs Controlled Area (CCA)
- ✓ IATA Accredited

CHINA

- ✓ Shanghai office established

Regional presence of warehouses and facilities:

- 8 warehouses and facilities in all major cities
- 2,500 m² facility in Auckland
- Over 100 fleet including roller trucks, B-double, semi-trailer, container and rigid trucks
- Headcount ~130



Notes:

1. Darwin branch is managed by an exclusive local agent

Income Diversification

Wiseway Group Limited							
Export			Import	Domestic transport	GSA/CSA	Regional	
Dry cargo (air freight) 	Perishables (air freight) 	Sea freight 	General cargo & e-commerce 	Airtruck 	Airnex 	New Zealand 	China 
Janice Ma	Scott Higgins	Song Yi	Nick Woolf	James Wu	Joseph Wanees	Traci Cox	Paige Qi
- Platforms - Suppliers - Parcel consolidators	- Seasonal fruit - Seafood - Meat - Fresh milk	- Milk powder - Wine export	- General cargo imports clearance and delivery - E-commerce parcel imports and distribution	- Interstate and road transport business - Servicing wholesalers, Wiseway airfreight and airlines	- Cargo sales for airlines - Managing more than 70 flights per week from Sydney, Melbourne, Brisbane, Perth, Darwin, Cairns and Auckland - Servicing third-party freight forwarders	- IATA accredited - Operations and Business team built up	Assisting business from China to Australia

Geographical Operations Leadership Team

China

Paige Qi

Darwin

Allen Lim

Cairns

Lily Zhang

Brisbane

*Owen Hu
James Wu*

Auckland

Traci Cox

Perth

*Allen Santos
Michael Luan*

Adelaide

Annie Yang

Sydney

Simon Zhang

Melbourne

*Roy Chen
Yuan Chen*

Alignment of Employee and Shareholders Interest

- Implementation of formalised policy and procedures company-wide
- Formalised performance review processes
- Role specific KPIs
- Bonus Incentives – linking personal performance and company performance

Current Trading Conditions

Challenging macroeconomic conditions driven by geo-political events leading to concerns in global growth outlook

Outbound			Inbound
Dry cargo (air freight) 	Perishables (air freight) 	Sea freight 	E-commerce 
➤ Overall softness in volumes of infant milk formula exports from Australia to China ➤ Traditionally, the dry cargo export peak season is from November to January ➤ Volume shift from airfreight to lower cost sea freight	➤ Sydney fumigation facilities commenced operations in November ➤ Expectation for increased overall perishable sales for the 2020 financial year ➤ Currently in peak harvest season (November-March)	➤ Sales for the year performing satisfactorily, albeit it off a low base	➤ Volumes performing satisfactorily with benefits of our bonded warehouse facilities coming through

Wiseway's Business Strategy

- Maintaining core growth
- Accelerate new growth divisions
- Next two years – diversify income stream
- The main focus now is on profitability and cost control

Strong Competitive Positioning; For The Next Stage Of Growth

Wiseway is strategically positioned as an Asia-focused logistics specialist, creating defensible market with a high barrier to entry



A photograph of a large, light-colored industrial building with a blue sky and white clouds in the background. The building has several signs: 'WISEWAY' in large red letters, 'IATA Accredited Agent' in a small white box, 'WISEWAY LOGISTICS' in red letters, 'Licensed Customs Broker' in a script font, and a red banner with 'AIR CARGO SEA CARGO CUSTOMS CLEARANCE' in white. Below the banner, there is contact information: 'Tel: (800) 846-1888 www.wiseway.com.au'. A dark blue rectangular overlay covers the middle of the image, and the text 'Formal Business' is written in white on it.

Formal Business

Shareholder Voting Cards

Shareholder Voting Card



**Entitled to vote and
address the meeting**

Non-Voting Shareholder Card



**Not entitled to vote,
but may address the
meeting**

Visitor Card



**Not entitled to vote
or address the
meeting**

Proxy Votes

- To be valid, proxies must have been received by Link Market Services at least 48 hours prior to the meeting
- Valid proxies will be displayed prior to the resolution being considered by the meeting
- All undirected proxies to the Chairman will be voted in favour of each resolution
- All resolutions will be decided by poll

A photograph of a large, light-colored industrial building for WiseWay Logistics. The building features several signs: a large 'WISEWAY' logo in red and blue, an 'IATA Accredited Agent' logo, and a red banner with white text that reads 'AIR CARGO SEA CARGO CUSTOMS CLEARANCE'. Below the banner, contact information is visible: 'Tel: (800) 846-1888' and 'www.wiseway.com.au'. A semi-truck is parked in the background on the left, and a fenced area with yellow bollards is in the foreground. A dark blue semi-transparent rectangle is overlaid on the center of the image, containing the text 'Items of Business' in white.

Items of Business

Item 1: FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2019.

Item 2: REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

“To adopt the Remuneration Report, as set out in the Director’s Report for the Company and its controlled entities for the financial year ended 30 June 2019.”

Notes:

- I. In accordance with section 250R of the *Corporations Act 2001 (Cth)*, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- II. A voting exclusion statement applies to this resolution (see Explanatory Notes of details).

Item 3: ELECTION OF MICHAEL HUGHES

To consider and if thought fit to pass the following motion as an ordinary resolution:

“That Michael Hughes, who retires in accordance with clause 20.6 of the Company’s Constitution, be elected a Director of the Company.”

Item 4: TERMINATION BENEFITS OF MARK ZIIRSEN

To consider and if thought fit to pass the following motion as an ordinary resolution:

“That, for the purposes of section 200E of the Corporations Act 2001 (Cth) and for all other purposes, the shareholders of the Company approve any and all Termination Benefits which may be given by Wiseway Group Limited to Mr Mark Ziirsen in connection with Mr Ziirsen’s cessation of employment with Wiseway Group Limited, as described in more detail in the explanatory statement provided to shareholders.”

Wiseway Group Limited

AGM 2019 Presentation



Thursday, 21 November 2019

WISEWAY