

Wingara AG Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Wingara AG Limited
ACN: 009 087 469
Reporting period: For the half-year ended 30 September 2022
Previous period: For the half-year ended 30 September 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	11.9% to	27,187,495
Loss from ordinary activities after tax attributable to the owners of Wingara AG Limited	down	94.9% to	(176,897)

Dividends

There were no dividends paid, recommended or declared during the current half-year financial period.

Comments

The loss for the Consolidated Entity after providing for income tax amounted to \$176,897 (30 September 2021: \$3,492,855).

Please refer to Review of Operations on page 3 of the accompanying half-year financial report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	4.99	10.89

4. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Report.

5. Attachments

Details of attachments (if any):

The Half-year Report of Wingara AG Limited for the half-year ended 30 September 2022 is attached.

6. Signed

Signed 

Date: 24 November 2022

Mr David Christie
Non-Executive Chairman
Melbourne

Wingara AG Limited

ACN 009 087 469

Half-year Report - 30 September 2022

Wingara AG Limited
Corporate directory
30 September 2022

Directors	Mr Marcello Diamante (Managing Director) – appointed 11 November 2022 Mr David Christie (Non-Executive Chairman) Mr Brendan York (Non-Executive Director)
Chief Executive Officer	Mr Marcello Diamante
Chief Financial Officer	Mr Jae Tan
Company secretary	Ms Natalie Climo
Registered office	Level 1, 10 Oxley Road Hawthorn VIC 3122 Australia
Principal place of business	Level 1, 10 Oxley Road Hawthorn VIC 3122 Australia
Share and debenture register	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth 6000 Australia 1300 55 70 10 (within Australia) +61 8 9323 2000 (overseas)
Auditor	William Buck Level 20, 181 William Street Melbourne Victoria 3000
Solicitors	Align Law Level 2, 306 Little Collins Street Melbourne Victoria 3000
Stock exchange listing	Wingara AG Limited shares are listed on the Australian Securities Exchange (ASX code: WNR)
Website	www.wingaraag.com.au

Wingara AG Limited
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30 September 2022

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Wingara AG Limited
Directors' report
30 September 2022

The directors present their report, together with the financial statements, on the consolidated entity, consisting of Wingara AG Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 September 2022 (referred to hereafter as the 'Consolidated Entity').

Directors

The following persons were directors of Wingara AG Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Marcello Diamante – Managing Director – appointed 11 November 2022 (previously Non-Executive Director from 1 April 2022 to 10 November 2022)
Mr David Christie - Non-Executive Chairman
Mr Brendan York - Non-Executive Director

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of results and operations¹

Consolidated Entity financial performance and reported results

Wingara AG Limited is an owner and operator of value-added, mid-stream assets specialising in the processing, storage and marketing of agriculture produce for export markets.

The first half of the 2023 financial year (FY23) saw significant improvements in business performance when compared to prior comparative period (pcp). Key highlights in H1 FY23 include:

- Revenue from continuing operations grew by 13% to \$21,316,499 (H1 FY22: \$18,868,803), reflecting strong production from JC Tanloden ending the half on 51,440 MT (H1 FY22: 44,095 MT).
- Continued focus on margins and operating processes has resulted in growth across all financial performance metrics in our continuing operations (excluding Austco Polar) before significant items, including revenue (up 13%), Gross Profit (up 45%), EBITDA (up 303%) and improving to a positive EBIT and NPAT result of \$1,685,010 and \$1,080,298, respectively (H1 FY22: EBIT and NPAT loss of \$86,636 and \$1,117,039, respectively).
- Reduction in total loss from operations held for sale to \$935,104 in H1 FY23 (H1 FY22: loss of \$1,590,494).

On 22 June 2022, the Company announced the execution of an agreement with AP Cold Storage Pty Ltd (ACN 659 638 678) and Sui Garden Pty Ltd (ACN 653 848 376) (together "AP Cold Storage" or "Purchasers"), for the disposal of Austco Polar Cold Storage Pty Ltd ("APCS").

On 7 October 2022, the transaction completed with cash consideration of \$1.0m plus a working capital adjustment of an additional \$0.2m received. Consequently, the Company expects to record a gain on disposal of APCS of approximately \$1.3 million in H2 FY23 with the proceeds to be used to strengthen the consolidated entity's working capital position.

¹ Throughout this report, certain financial information is presented which is not prescribed by Australian Accounting Standards ('AAS'), such as EBITDA and EBIT. Earnings before interest and income tax (EBIT) reflects profit for the half year prior to including the effect of net finance costs, income taxes and loss from discontinued operations. Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects profits for the half year prior to including the effect of net finance costs, income taxes depreciation and amortisation and loss from discontinued operations. The individual components of EBITDA and EBIT are included as line items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Reference to results before significant items excludes the financial impacts of project expenses and due diligence costs, equity settled share-based payments, forfeited options, impairment of capital projects and certain legal expenses. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

	30 September 2022 \$	30 September 2021 \$	Change \$	Change %
Summary of financial results				
Operating revenue	21,316,499	18,868,803	2,447,696	13%
Gross profit	10,290,636	7,086,649	3,203,987	45%
EBITDA before significant items	2,303,269	572,026	1,731,243	303%
EBIT before significant items	1,685,010	(86,636)	1,771,646	(2045%)
NPAT/(NLAT) before significant items	1,080,298	(1,117,039)	2,197,337	(197%)
Operations held for sale before significant items	(935,104)	(1,590,494)	655,390	(41%)
Significant items	(322,095)	(785,322)	463,227	(59%)
Net loss attributable to shareholders	(176,897)	(3,492,855)	3,315,958	(95%)
Summary of significant items				
<i>From continuing operations</i>				
Project expenses and due diligence costs	264,199	28,880	235,319	815%
Equity settled share-based payments	-	105,000	(105,000)	(100%)
Forfeited options	-	(51,151)	51,151	(100%)
Impairment of capital projects	-	269,413	(269,413)	(100%)
Legal fees	-	140,337	(140,337)	(100%)
	<u>264,199</u>	<u>492,479</u>	<u>(228,280)</u>	
<i>From operations held for sale</i>				
Project expenses and due diligence costs	57,896	56,340	1,556	3%
Impairment of capital projects	-	236,503	(236,503)	(100%)
	<u>57,896</u>	<u>292,843</u>	<u>(234,947)</u>	
Total	<u>322,095</u>	<u>785,322</u>	<u>(463,227)</u>	

The Consolidated Entity's total revenues from continuing operations increased by 13% to \$21,316,499 (H1 FY22: \$18,868,803) reflecting a strong revenue result from JC Tanloden. This was driven by higher production volumes for the half year of 51,440MT (H1 FY22: 40,095 MT) as a result of higher machinery uptime and increasing daily production hours.

Gross profit ended the half on \$10,290,636 (H1 FY22: \$7,086,649) representing an increase on pcp of \$3,203,987, or 45%. This increase was a function of increased production volume, as well as a 10pp improvement in gross margins (from 38% in H1 FY22 to 48% in H1 FY23) driven by increased sales prices combined with a favourable swing in foreign currency positions.

The net loss attributable to the Consolidated Entity's shareholders of \$176,897 (H1 FY22: loss of \$3,492,855) includes:

- An increase of \$1,302,716 in freight costs to \$4,830,944 (H1 FY22: \$3,528,228) driven by the continued impact of COVID-19 and other macro-economic factors on the costs associated with logistics, including port storage costs associated with shipping delays and fuel prices;
- An increase in indirect employee costs by \$276,510 to \$1,615,144 (H1 FY22: \$1,338,634) resulting from (i) lower capitalised salaries and wages due to reduced allocation to project work in FY23; and (ii) investment in site leadership and safety personnel;
- A decrease of \$213,659 in foreign exchange losses of \$396,375 (H1 FY22: \$610,034), due to more favourable currency hedge management in H1 FY23 with the USD strengthening this year;
- A \$492,301 decrease in finance costs to \$538,102 (H1 FY22: \$1,030,403) due to lower levels of working capital financing; and
- A reduction in loss of \$655,390 from operations held for sale after tax ending H1 FY23 on \$935,104 (H1 FY22: loss of \$1,590,494) from an improvement in trading from Austco Polar prior to sale.

H1 FY23 reported results include significant items of \$322,095 (H1 FY22: \$785,322) comprised mainly of project and due diligence costs.

30 September 2022	Fodder JC Tanloden	Corporate	Total continuing business	Service Austco Polar	Total
Revenue	\$21,316,499	-	\$21,316,499	\$5,870,996	\$27,187,495
Gross profit	\$10,290,636	-	\$10,290,636	\$1,996,501	\$12,287,137
EBITDA before significant items	\$3,072,299	(\$769,030)	\$2,303,269	\$531,352	\$2,834,621
EBIT before significant items	\$2,482,520	(\$797,510)	\$1,685,010	(\$299,944)	\$1,385,066

30 September 2021	Fodder JC Tanloden	Corporate	Total continuing business	Service Austco Polar	Total
Revenue	\$18,868,803	-	\$18,868,803	\$5,421,526	\$24,290,329
Gross profit	\$7,086,649	-	\$7,086,649	\$1,790,533	\$8,877,182
EBITDA before significant items	\$1,777,126	(\$1,205,100)	\$572,026	\$59,258	\$631,284
EBIT before significant items	\$1,148,875	(\$1,235,511)	(\$86,636)	(\$848,121)	(\$934,757)

JC Tanloden

Financial and operational performance

Operating metrics

	30 September 2022	30 September 2021	Change
Sales tonnes	51,440	44,095	+17%
Revenue per tonne	\$414	\$428	-3%
EBITDA before significant items per tonne	\$60	\$40	+50%
EBIT before significant items per tonne	\$48	\$26	+85%

Revenue from JC Tanloden in H1 FY23 was up 49% to \$21,316,499 (H1 FY22: \$18,868,803), reflecting strong operating revenue performance from JC Tanloden.

- Sales tonnes at JC Tanloden increased by 17% ending the half on 51,440 MT (H1 FY22: 44,095 MT).
- Strong export demand in all markets.

Revenue per tonne is down by 3% in H1 FY23 to \$414 (H1 FY22: \$428) driven by revenue stream mix with tolling services commencing in H2 FY22; offset partially by higher sales prices and a strengthening US dollar.

EBITDA before significant items for H1 FY23 was \$2,303,269 (H1 FY22: \$572,026), up by \$1,731,243. Despite the macro-economic situation, the increase in EBITDA performance was driven by higher production and continued focus on margins.

Austco Polar Cold Storage

Financial and operational performance

Operating metrics

	30 September 2022	30 September 2021	Change
Blast volumes (cartons)	925,111	970,278	-5%
Revenue per carton	\$6.35	\$5.59	+14%
EBITDA before significant items per carton	\$0.57	\$0.06	+850%
EBIT before significant items per carton	(\$0.32)	(\$0.87)	+63%

Revenue generated by the Consolidated Entity's operations held for sale, namely the Austco Polar business, increased during H1 FY23 by 8% to \$5,870,966 (H1 FY22: \$5,421,526), impacted by the following:

- Whilst blast volumes decreased by 5%, revenue per carton increased by 14% reflecting of optimised commercial engagement leading to new customers and reviewed contractual terms.
- Employment conditions improved marginally in H1 FY23 allowing for improvements in direct employee cost efficiencies.

EBITDA before significant items improved to \$531,352 (H1 FY22: \$59,258), an increase of \$472,094, due primarily to (i) higher pricing; (ii) on-boarding lower cost-to-serve customers; and (ii) improved labour efficiencies.

Summary of financial position

	30 September 2022 \$	31 March 2022 \$	Change \$	Change %
Cash	1,256,478	1,513,670	(257,192)	(17%)
Working capital	(1,246,638)	(1,647,973)	401,335	(24%)
Property, plant and equipment	13,412,545	13,480,711	(68,166)	(1%)
Right-of-use assets	3,873,786	4,042,997	(169,211)	(4%)
Intangibles	1,816,075	1,816,075	-	-
Other non-current assets	44,681	20,585	24,096	117%
Assets and working capital from continuing operations	19,156,927	19,226,065	(69,138)	
Lease liabilities	(2,359,957)	(2,775,490)	415,533	(15%)
Borrowings	(6,377,052)	(5,766,000)	(611,052)	11%
Liabilities from continuing operations	(8,737,009)	(8,541,490)	(195,519)	
Net assets from continuing operations	10,419,918	10,684,575	(264,657)	
Assets classified as held for sale	19,845,368	20,813,038	(967,670)	(5%)
Liabilities classified as held for sale	(20,791,731)	(21,847,161)	1,055,430	(5%)
Net liabilities from operations held for sale	(946,363)	(1,034,123)	87,760	
Total net assets	9,473,555	9,650,452	(176,897)	

Financial position metrics

The Austco Polar business is aggregated into separate assets and liabilities held for sale. Balances therefore reflect the JC Tanloden and Corporate business units only. Total net assets have decreased to \$9,473,555 at 30 September 2022 from \$9,650,452 at 31 March 2022.

Net debt metrics²

	30 September 2022 \$	31 March 2022 \$	Change \$	Change %
Borrowings ³	8,102,529	7,911,613	190,916	2%
Cash	(1,443,023)	(1,627,547)	184,524	(11%)
Net debt	<u>6,659,506</u>	<u>6,284,066</u>	<u>375,440</u>	
Net assets	9,473,555	9,650,452	(176,897)	2%
Net debt to net assets ratio	70%	60%	5pp	

Net debt as at 30 September 2022 is \$6,659,506 showing an increase from prior comparative period of \$375,440 (or 6%) reflective of the continued requirement to give financial support to the Austco Polar business.

Cash flow metrics

	30 September 2022 \$	30 September 2021 \$	Change \$	Change %
EBITDA before significant items	2,303,269	572,026	1,731,558	303%
Cash outflow from significant items	(322,095)	(225,557)	(96,538)	43%
Working capital movements	(338,588)	1,338,145	(1,676,733)	(125%)
Cash flow from operations held for sale	51,325	457,918	(406,593)	89%
Gross operating cash flow	<u>1,693,911</u>	<u>2,142,532</u>	<u>(448,621)</u>	
Finance costs and tax refunds / (payments)	(538,211)	(1,089,155)	550,944	(51%)
Net operating cash flows	<u>1,155,700</u>	<u>1,053,377</u>	<u>102,323</u>	
Capital expenditure payments, net of proceeds received	(493,731)	(928,331)	434,600	(47%)
Settlement of lease obligations	(1,446,495)	(1,626,996)	180,501	(11%)
	<u>(1,940,226)</u>	<u>(2,555,327)</u>	<u>615,101</u>	
Free cash flow	<u>(784,526)</u>	<u>(1,501,950)</u>	<u>717,424</u>	
Cash conversion ⁴	74%	375%	(301pp)	

Operating cash flow result for H1 FY23 is \$1,155,700 (H1 FY22: \$1,053,377), an increase on prior year by \$102,323.

² Includes operations held for sale

³ Excludes impact of AASB 16 lease liabilities

⁴ Calculated as gross operating cash flow / EBITDA

Wingara AG Limited
Directors' report
30 September 2022

Free cash outflow improved from last year by \$717,424 ending H1 FY23 with a net outflow of \$784,526 (H1 FY22: net outflow of \$1,501,950). This was driven by (i) improved operating performance and therefore operating cash flows; and (ii) better inventory working capital management leading to lower finance costs; and (iii) lower capital expenditure investment as a result of lower labour capitalisation and an improved capital approval process implemented.

Outlook

Whilst H1 FY23 was positive, the next 6 months will be challenging as the impact of the unseasonably high spring rainfall brings with it an uncertain outlook.

- The continued rainfall in North and Central Victoria has delayed the 2022 harvest likely resulting in much lower volumes of hay available in Victoria and at lower premium grades.
- Working closely with our grower network across Southern Australia to track crop yields and flood and rain related damage.
- Focus on margin improvement initiatives to alleviate loss margins from lower hay volumes expected as a result in the upcoming season.
- The completion of the Austco Polar sale will allow management to focus solely on the fodder business including, but not limited to, continued improvements on safety culture, navigating the challenging 2022 harvest season, increasing the max production output of hay production assets and reducing core debt.

Significant changes in the state of affairs

On 1 April 2022, Mr Marcello Diamante was appointed to the Board of Directors as a Non-Executive Director

On 17 June 2022, the Consolidated Entity announced that 439,794 performance rights over fully paid ordinary shares lapsed, due to the conditions being incapable of being satisfied.

On 22 June 2022, the Consolidated Entity announced the execution of an agreement with AP Cold Storage Pty Ltd (ACN 659 638 678) and Sui Garden Pty Ltd (ACN 653 848 376) (together "AP Cold Storage" or "Purchasers"), for the disposal of Austco Polar Cold Storage Pty Ltd ("APCS") for approximately \$1.45 million (the Transaction). Under the Transaction, the Purchasers will acquire APCS and assume responsibility for the lease of the APCS site from the landlord, Mapletree Investments Pty Ltd.

As detailed in note 7, the Consolidated Entity announced that the completion date for the Transaction was 7 October 2022 for revised cash consideration of \$1.0 million, subject to a working capital adjustment, resulting in an expected gain on disposal of APCS of approximately \$1.3 million in FY23.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 5 October 2022, the Consolidated Entity announced the completion date of the sale of Austco Polar Cold Storage Pty Ltd ("APCS") to AP Code Storage Pty Ltd and Sui Garden Pty Ltd. The completion date was 7 October 2022 where APCS was sold to the Purchaser at a revised cash consideration of approximately \$1.0 million plus a working capital adjustment of \$0.2 million. The Consolidated Entity expects to recognise a non-cash accounting profit on sale of approximately \$1.3m on the sale of APCS in FY23.

On 7 November 2022, the Consolidated Entity announced that James Whiteside has tendered his resignation as Chief Executive Officer. Mr. Whiteside will be succeeded by Marcello Diamante, who has been appointed as Managing Director and Chief Executive Officer on an interim basis.

No other matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Wingara AG Limited
Directors' report
30 September 2022

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr David Christie
Non-Executive Chairman

24 November 2022



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF WINGARA AG LIMITED**

I declare that, to the best of my knowledge and belief during the period ended 30 September 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis

A. A. Finnis
Director
Melbourne, 24th November 2022

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Wingara AG Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2022

	Consolidated	
	30	30
Note	September	September
	2022	2021
	\$	\$
Revenue	21,316,499	18,868,803
Cost of sales	(11,025,863)	(11,782,154)
Gross profit	10,290,636	7,086,649
Other income	111,487	35,168
Expenses		
Corporate, administration and operating expenses	(1,520,589)	(1,295,961)
Freight expenses	(4,830,944)	(3,528,228)
Employee expenses	(1,615,144)	(1,338,634)
Foreign exchange losses	(396,375)	(610,034)
Loss on disposal of property, plant and equipment	-	(269,413)
Earnings before finance costs, tax and depreciation	2,039,071	79,547
Depreciation	(618,258)	(658,662)
Finance costs	(538,102)	(1,030,403)
Profit/(loss) before income tax expense from continuing operations	882,711	(1,609,518)
Income tax expense	(66,609)	-
Profit/(loss) after income tax expense from continuing operations	816,102	(1,609,518)
Loss after income tax expense from operations held for sale	4 (992,999)	(1,883,337)
Loss after income tax expense for the half-year attributable to the owners of Wingara AG Limited	(176,897)	(3,492,855)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to the owners of Wingara AG Limited	(176,897)	(3,492,855)
Total comprehensive income for the half-year is attributable to:		
Continuing operations	816,102	(1,609,518)
Operations held for sale	(992,999)	(1,883,337)
	(176,897)	(3,492,855)

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

Wingara AG Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2022

		Cents	Cents
Earnings/(loss) per share from continuing operations attributable to the owners of Wingara AG Limited			
Basic earnings/(loss)per share	7	0.46	(1.20)
Diluted earnings/(loss) per share	7	0.46	(1.20)
Loss per share from operations held for sale attributable to the owners of Wingara AG Limited			
Basic loss per share	7	(0.57)	(1.40)
Diluted loss per share	7	(0.57)	(1.40)
Loss per share attributable to the owners of Wingara AG Limited			
Basic loss per share	7	(0.10)	(2.59)
Diluted loss per share	7	(0.10)	(2.59)

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

Wingara AG Limited
Consolidated statement of financial position
As at 30 September 2022

		Consolidated	
		30	
		September	31 March
	Note	2022	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,256,478	1,513,670
Trade and other receivables		2,453,787	2,796,432
Inventories		934,214	1,681,614
Other current assets		51,684	249,109
		<u>4,696,163</u>	<u>6,240,825</u>
Assets of disposal groups classified as held for sale	4	19,845,368	20,813,038
Total current assets		<u>24,541,531</u>	<u>27,053,863</u>
Non-current assets			
Property, plant and equipment		13,412,545	13,480,711
Right-of-use assets		3,873,786	4,042,997
Intangibles		1,816,075	1,816,075
Other non-current assets		44,681	20,585
Total non-current assets		<u>19,147,087</u>	<u>19,360,368</u>
Total assets		<u>43,688,618</u>	<u>46,414,231</u>
Liabilities			
Current liabilities			
Trade and other payables		4,294,666	5,983,098
Borrowings	5	1,069,500	4,418,500
Lease liabilities		947,103	949,617
Employee benefits		291,994	304,266
		<u>6,603,263</u>	<u>11,655,481</u>
Liabilities directly associated with assets classified as held for sale	4	20,791,731	21,847,161
Total current liabilities		<u>27,394,994</u>	<u>33,502,642</u>
Non-current liabilities			
Borrowings	5	5,307,552	1,347,500
Lease liabilities		1,412,854	1,825,873
Employee benefits		99,663	87,764
Total non-current liabilities		<u>6,820,069</u>	<u>3,261,137</u>
Total liabilities		<u>34,215,063</u>	<u>36,763,779</u>
Net assets		<u>9,473,555</u>	<u>9,650,452</u>
Equity			
Issued capital		29,570,874	29,570,874
Reserves		75,226	75,226
Accumulated losses		<u>(20,172,545)</u>	<u>(19,995,648)</u>
Total equity		<u>9,473,555</u>	<u>9,650,452</u>

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

Wingara AG Limited
Consolidated statement of changes in equity
For the half-year ended 30 September 2022

Consolidated	Contributed equity \$	Share based payment reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2021	25,029,198	167,877	(10,340,248)	14,856,827
Loss after income tax expense for the half-year	-	-	(3,492,855)	(3,492,855)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,492,855)	(3,492,855)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,425,366	-	-	4,425,366
Share-based payments (note 9)	105,000	(51,151)	-	53,849
Balance at 30 September 2021	<u>29,559,564</u>	<u>116,726</u>	<u>(13,833,103)</u>	<u>15,843,187</u>
Consolidated	Contributed equity \$	Share based payment reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2022	29,570,874	75,226	(19,995,648)	9,650,452
Loss after income tax expense for the half-year	-	-	(176,897)	(176,897)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(176,897)	(176,897)
Balance at 30 September 2022	<u>29,570,874</u>	<u>75,226</u>	<u>(20,172,545)</u>	<u>9,473,555</u>

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

Wingara AG Limited
Consolidated statement of cash flows
For the half-year ended 30 September 2022

	Consolidated	
	30	30
Note	September	September
	2022	2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	21,371,781	18,077,371
Payments to suppliers and employees	(19,765,433)	(16,451,509)
Interest and other finance costs paid	(501,972)	(1,030,403)
Net operating cash generated by continuing operations	1,104,376	595,459
Net operating cash outflows from operations held for sale	51,325	457,918
Net cash from operating activities	1,155,701	1,053,377
Cash flows from investing activities		
Payments for plant, equipment, and capital works in progress	(390,510)	(984,617)
Proceeds from disposal of property, plant and equipment	41,019	215,436
Proceeds from release/(payment) of security deposits	(24,096)	117,101
Net cash used in continuing operations' investing activities	(373,587)	(652,080)
Net investing cash outflows from operations held for sale	(120,143)	(276,251)
Net cash used in investing activities	(493,730)	(928,331)
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	-	4,425,366
Proceeds from borrowings	6,150,000	480,000
Repayment of borrowings	(5,550,000)	(543,000)
Repayment of lease liabilities	(440,612)	(657,198)
Net cash from continuing operations' financing activities	159,388	3,705,168
Net financing cashflows from operations held for sale	(1,005,883)	(969,798)
Net cash from/(used in) financing activities	(846,495)	2,735,370
Net increase/(decrease) in cash and cash equivalents	(184,524)	2,860,416
Cash and cash equivalents at the beginning of the financial half-year	1,627,547	1,920,453
Net decrease in cash and cash equivalents arising from cash balances held by operations held for sale	(186,545)	(136,960)
Cash and cash equivalents at the end of the financial half-year	1,256,478	4,643,909

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

Wingara AG Limited
Notes to the consolidated financial statements
30 September 2022

Note 1. General information

The financial statements cover Wingara AG Limited as a Consolidated Entity consisting of Wingara AG Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

Wingara AG Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 1, 10 Oxley Road Hawthorn, VIC 3122 Australia	Level 1, 10 Oxley Road Hawthorn, VIC 3122 Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 November 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 September 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

This half-year financial report may also include certain non-IFRS measures including earnings before finance costs, tax and depreciation (EBITDA), earnings before finance costs and tax (EBIT) and net profit after tax (NPAT). These measures are used internally by management to assess the performance of the consolidated entity and segments, to make decisions on the allocation of resources and assess operational management.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. As a result, there was no impact to the financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Wingara AG Limited
Notes to the consolidated financial statements
30 September 2022

Note 3. Operating segments

On 24 August 2021, the Consolidated Entity announced that its Service Business operating segment, operated through Austco Polar, is non-core to the Company's future growth strategy given the substantial growth opportunities available through its Fodder Business. As detailed in note 7, the disposal of Austco Polar was completed on 7 October 2022.

Subsequent to the aforementioned announcement, the Consolidated Entity has one operating segment, acting as a product processor and marketer of agricultural products in Australia (Fodder Business).

Note 4. Operations held for sale

Financial performance of operations held for sale

	Consolidated	
	30	30
	September	September
	2022	2021
	\$	\$
(a) Statement of profit or loss		
Revenue	5,870,996	5,421,526
Cost of sales	<u>(3,874,495)</u>	<u>(3,630,993)</u>
Gross profit	<u>1,996,501</u>	<u>1,790,533</u>
Other income	89,223	3,400
Corporate, administration and operating expenses	(1,045,410)	(1,112,103)
Employee expenses	(315,682)	(393,848)
Freight expenses	(251,176)	(285,064)
Loss on disposal of property, plant and equipment	-	(236,503)
Depreciation expense	(831,296)	(907,379)
Finance costs	<u>(701,769)</u>	<u>(742,373)</u>
Total other expenses (net of other income)	<u>(3,056,110)</u>	<u>(3,673,870)</u>
Loss before income tax benefit	<u>(1,059,609)</u>	<u>(1,883,337)</u>
Income tax benefit	66,610	-
Loss after income tax benefit from operations held for sale	<u>(992,999)</u>	<u>(1,883,337)</u>

Note 4. Operations held for sale (continued)

Carrying amounts of assets and liabilities for disposal groups

The carrying amount of the assets and liabilities of the Austco Polar Service Business disposal group is measured at the lower of its carrying amount and its fair value less cost of sale.

When an asset or liability, financial or non-financial, is measured at fair value the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market; or in the absence of a principal market, in the most advantageous market.

	Consolidated	
	30	31
	September	March
	2022	2022
	\$	\$
Cash and cash equivalents	186,545	113,877
Trade and other receivables	334,416	631,614
Other current assets	258,933	290,920
Property, plant and equipment	2,613,984	2,630,459
Right-of-use assets	16,451,490	17,146,168
Total assets	<u>19,845,368</u>	<u>20,813,038</u>
Trade and other payables	1,278,586	1,932,329
Employee entitlements	447,011	508,344
Lease liabilities	19,066,134	19,406,488
Total liabilities	<u>20,791,731</u>	<u>21,847,161</u>
Net liabilities	<u>(946,363)</u>	<u>(1,034,123)</u>

Carrying amounts of assets and liabilities for disposal groups

The carrying amount of the assets and liabilities of the Austco Polar Service Business disposal group is measured at the lower of its carrying amount and its fair value less cost of sale.

When an asset or liability, financial or non-financial, is measured at fair value the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 5. Current liabilities - borrowings

	Consolidated	Consolidated
	30	31 March
	September	2022
	2022	2022
	\$	\$
Current		
Commercial facility	1,069,500	918,500
Revolving loan facility	-	3,500,000
	<u>1,069,500</u>	<u>4,418,500</u>
Non-current		
Commercial facility	1,196,500	1,347,500
Revolving loan facility	3,350,000	-
Loan with non-financial institution	761,052	-
	<u>5,307,552</u>	<u>1,347,500</u>
	<u>6,377,052</u>	<u>5,766,000</u>

Note 5. Current liabilities - borrowings (continued)

Total secured liabilities

- Westpac tailored commercial facility with a fully drawn down limit of \$436,000 (31 March 2022: \$436,000). The facility is subject to BBSY rate plus a margin of 1.55% (31 March 2022: 1.55%) per annum and line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of the facility is five (5) years from date of inception. Interest and principal are paid on a monthly basis, the principal being settled in an amount of \$80,500 per month, payable from 1 March 2023 onwards.
- Westpac tailored commercial facility with a fully drawn down limit of \$1,830,000 (31 March 2022: \$1,830,000). The facility is subject to BBSY rate plus a margin of 1.55% (31 March 2022: 1.55%) per annum and line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of this facility is four (4) years from date of inception. Interest and principal are paid on a monthly basis, the principal being settled in an amount of \$90,500 per month, payable from 1 March 2023 onwards.
- Revolving loan facility with a partially drawn down limit of \$5,000,000, of which \$3,350,000 has been drawn down (31 March 2022: \$3,500,000). This facility is subject to BBSY rate plus a margin of 1.09% (31 March 2022: 1.12%) per annum and a line fee of 2.00% (31 March 2022: 2.00%) per annum. The term of this facility was 18 months from inception, extended from January 2023 to 1 December 2023, therefore the entire outstanding balance has been classified as a non-current liability at 30 September 2022. Monthly payments consist of interest and fees only, the outstanding unpaid principal due for settlement on expiry of the term of the facility.
- The balance of non-financial institutional loan was \$761,052. The facility is subject to a capitalised interest rate of 5%. The facility is repayable subsequent to the full and final settlement of the Westpac facilities, the entire outstanding unpaid balance therefore classified as a non-current liability at 30 September 2022.

Assets pledged as security

The commercial bill and loan are secured by a first fixed and floating charge over the shares of the business and machinery and equipment owned by the Consolidated Entity. The non-financial institutional debt is secured by a secondary fixed and floating charge on the assets of the Consolidated Entity.

Bank overdraft facility

As at 30 September 2022 the Consolidated Entity's overdraft facility limit was \$600,000 (31 March 2022: \$600,000) of which \$nil was drawn on (30 September 2021: \$nil).

Note 6. Events after the reporting period

On 5 October 2022, the Consolidated Entity announced the completion date of the sale of Austco Polar Cold Storage Pty Ltd ("APCS") to AP Cold Storage Pty Ltd and Sui Garden Pty Ltd. The completion date was 7 October 2022 where APCS was sold to the Purchaser at a revised cash consideration of approximately \$1.0 million plus a working capital adjustment of \$0.2 million. The Consolidated Entity expects to recognise a non-cash accounting profit on sale of approximately \$1.3m on the sale of APCS in FY23.

On 7 November 2022, the Consolidated Entity announced that James Whiteside has tendered his resignation as Chief Executive Officer. Mr. Whiteside will be succeeded by Marcello Diamante, who has been appointed as Managing Director and Chief Executive Officer on an interim basis.

No other matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Wingara AG Limited
Notes to the consolidated financial statements
30 September 2022

Note 7. Earnings per share

	Consolidated	
	30	30
	September	September
	2022	2021
	\$	\$
<i>Earnings/(loss) per share from continuing operations</i>		
Profit/(loss) after income tax attributable to the owners of Wingara AG Limited	<u>816,102</u>	<u>(1,609,518)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	<u>175,542,504</u>	<u>134,609,485</u>
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	<u>175,542,504</u>	<u>134,609,485</u>
	Cents	Cents
Basic earnings/(loss) per share	0.46	(1.20)
Diluted earnings/(loss) per share	0.46	(1.20)
	Consolidated	
	30	30
	September	September
	2022	2021
	\$	\$
<i>Loss per share from operations held for sale</i>		
Loss after income tax attributable to the owners of Wingara AG Limited	<u>(992,999)</u>	<u>(1,883,337)</u>
	Cents	Cents
Basic loss per share	(0.57)	(1.40)
Diluted loss per share	(0.57)	(1.40)
	Consolidated	
	30	30
	September	September
	2022	2021
	\$	\$
<i>Loss per share</i>		
Loss after income tax attributable to the owners of Wingara AG Limited	<u>(176,897)</u>	<u>(3,492,855)</u>
	Cents	Cents
Basic loss per share	(0.10)	(2.59)
Diluted loss per share	(0.10)	(2.59)

Wingara AG Limited
Directors' declaration
30 September 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 September 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr David Christie
Non-Executive Chairman

24 November 2022

Wingara AG Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Wingara AG Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 30 September 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wingara AG Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2022 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Wingara AG Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 September 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis

A. A. Finnis
Director

Melbourne, 24 November 2022