

## 2022 Annual Report



**Wingara AG  
Limited**

# Who We Are

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

We specialise in the processing and export of high quality Australian agricultural produce to the Asian market.

## Wingara AG locations



- Green products
- Grower catchment
- Red products
- Supplier catchment



## Our Vision

Capitalise on our global trading network to partner with primary producers to market and export innovative good and services to our loyal and diverse Asian market by being flexible and dynamic allowing us to adapt to the ever changing global market.

## Our Mission

Partner with our clients on the international stage to build a supply chain platform where we enable our high quality products to reach our consumers efficiently and securely.

### Major export destinations

Japan/South Korea/Taiwan/China



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# Five Year Summary



| \$'000 UNLESS OTHERWISE STATED                               | 2022           | 2021           | 2020           | 2019          | 2018         |
|--------------------------------------------------------------|----------------|----------------|----------------|---------------|--------------|
| <b>Operating results</b>                                     |                |                |                |               |              |
| Revenue                                                      | 50,064         | 38,009         | 35,058         | 29,120        | 10,763       |
| Cost of Sales                                                | (30,267)       | (24,821)       | (18,786)       | (13,651)      | (5,298)      |
| <b>Gross Profit</b>                                          | <b>19,797</b>  | <b>13,188</b>  | <b>16,271</b>  | <b>15,469</b> | <b>5,465</b> |
| <b>EBITDA before significant items</b>                       | <b>2,224</b>   | <b>2,532</b>   | <b>3,287</b>   | <b>4,752</b>  | <b>1,089</b> |
| Depreciation and amortisation (D&A)                          | (3,232)        | (2,898)        | (2,467)        | (2,116)       | (602)        |
| <b>EBIT before significant items</b>                         | <b>(1,008)</b> | <b>(366)</b>   | <b>820</b>     | <b>2,636</b>  | <b>487</b>   |
| Finance expenses                                             | (2,900)        | (2,576)        | (2,021)        | (1,806)       | (383)        |
| Income tax benefit/(expense)                                 | 43             | (228)          | (107)          | (46)          | 319          |
| <b>Net profit/(loss) before tax before significant items</b> | <b>(3,865)</b> | <b>(3,170)</b> | <b>(1,308)</b> | <b>784</b>    | <b>424</b>   |
| Significant items                                            | (5,832)        | (3,062)        | 2,095          | 122           | (858)        |
| Other comprehensive income                                   | -              | -              | -              | -             | -            |
| <b>Profit/loss attributable to members</b>                   | <b>(9,697)</b> | <b>(6,232)</b> | <b>787</b>     | <b>906</b>    | <b>(434)</b> |
| <b>Financial position</b>                                    |                |                |                |               |              |
| Wingara shareholders' funds                                  | 9,650          | 14,857         | 16,441         | 15,139        | 12,091       |
| Intangible assets                                            | 1,816          | 1,816          | 1,816          | 1,816         | 1,816        |
| Total assets                                                 | 46,414         | 54,032         | 55,318         | 47,404        | 23,361       |
| Total liabilities                                            | 36,764         | 39,175         | 38,877         | 32,264        | 11,270       |
| Net debt***                                                  | 6,284          | 8,861          | 7,620          | 26,849        | 584          |
| Operating cash flow                                          | 2,608          | 317            | 1,517          | 184           | (4)          |
| Closing share price (dollars)                                | 0.059          | 0.120          | 0.250          | 0.255         | 0.370        |
| Shares on issue (thousands)                                  | 175,543        | 132,782        | 106,055        | 105,105       | 96,790       |

\* Before significant items

\*\* Calculated by dividing the profit attributable to the owners of Wingara AG Limited by the weighted average number of ordinary shares outstanding during the financial year.

\*\*\* Debt metrics exclude impact of AASB16 lease liabilities

| \$'000 UNLESS OTHERWISE STATED               | 2022     | 2021     | 2020    | 2019    | 2018    |
|----------------------------------------------|----------|----------|---------|---------|---------|
| <b>Key financial metrics</b>                 |          |          |         |         |         |
| Revenue growth (%)                           | 31.7%    | 8.4%     | 20.4%   | 170.6%  | 23.9%   |
| Gross margin (%)                             | 39.5%    | 34.7%    | 46.4%   | 53.1%   | 50.8%   |
| EBITDA* margin (%)                           | 4.4%     | 6.7%     | 9.4%    | 16.3%   | 10.1%   |
| EBITDA* growth (%)                           | (12.2%)  | (23.0%)  | (30.8%) | 336.4%  | 79.7%   |
| EBIT* growth (%)                             | 175.4%   | (144.7%) | (68.9%) | 441.2%  | 80.2%   |
| <b>Key profitability ratios</b>              |          |          |         |         |         |
| Return on Equity (%)                         | (100.5%) | (41.9%)  | 4.8%    | 6.0%    | (3.6%)  |
| Return on Assets (%)                         | (20.9%)  | (11.5%)  | 1.4%    | 1.9%    | (1.9%)  |
| Earnings/(loss) per share (EPS) (cents)**    | (6.26)   | (5.11)   | 0.75    | 0.89    | (0.01)  |
| EPS growth (%)                               | 22.5%    | (781.3%) | (15.7%) | n.m     | –       |
| Total shareholder returns (%)                | (103.0%) | (72.4%)  | 1.0%    | (28.7%) | 29.8%   |
| Operating cash flow/EBITDA* (times)          | 1.2x     | 0.1x     | 0.5x    | 0.0x    | (0.0x)  |
| EBITDA* Return on Assets                     | 4.8%     | 4.7%     | 5.9%    | 10.0%   | 4.7%    |
| EBITDA* Return on Equity                     | 23.0%    | 17.0%    | 20.0%   | 31.4%   | 9.0%    |
| <b>Capital market and structure ratios</b>   |          |          |         |         |         |
| EBITDA* per share (cents)                    | 1.27     | 1.91     | 3.10    | 4.52    | 1.12    |
| P/E ratio (times)                            | (0.0x)   | (0.0x)   | 0.3x    | 0.3x    | (67.2x) |
| Net debt***/shareholders' equity (%)         | 65%      | 60%      | 46%     | 177%    | 5%      |
| Equity/total assets (%)                      | 21%      | 27%      | 30%     | 32%     | 52%     |
| Net debt***/EBITDA* (times)                  | 2.8x     | 3.5x     | 2.3x    | 5.7x    | 0.5x    |
| EBIT*/net interest (times)                   | 0.3x     | 0.1x     | (0.4x)  | (1.5x)  | (1.3x)  |
| Net tangible asset backing per share (cents) | 25.41    | 39.32    | 50.45   | 43.37   | 22.26   |

# Chairman & CEO Letter



Dear Shareholder,

We are pleased to present Wingara's Annual Report for the financial year ended 31 March 2022 (FY22), a year with strong growth despite the challenging environment.

## Resilient financial performance despite challenging conditions

FY22 was a challenging year with business operations continuing to be impacted by COVID-19 directly and indirectly. The Omicron variant (in particular) adversely impacted hay production with multiple cancellations of shifts and significantly disrupting supply chains both upstream and downstream of our production facilities. Blast freezing volumes were also negatively impacted by Covid related interruptions to red meat supply chains. Notwithstanding these negative impacts, FY22 revenue and EBITDA growth from continuing operations and before significant items, increased by 43% (or \$11.7 million) and 74% (or \$1.7 million), respectively when compared to prior year.

Most pleasingly, hay sales volumes increased from 63.9 thousand tonnes to a record of 96.6 thousand tonnes. This was a testament to the performance of the entire team, who remained resilient and focused despite the macroeconomic stresses of the industries in which Wingara operates.

## Sale of Austco Polar allows for increased focus on core operations

Over the course of FY22, Austco Polar Cold Storage continued to draw on cash and impact profitability. We were therefore particularly pleased to announce the sale of the business, marking the end of an asset divestment process which commenced on 24 August 2021.

Austco Polar has been sold to AP Cold Storage Pty Ltd and Sui Garden Pty Ltd (together referred to as “Purchasers”) for \$1.45 million (subject to a working capital adjustment). The Purchasers are proprietary companies based in Sydney that share ultimate beneficial ownership and with the acquisition marks a significant move by them into the Victorian market. Subject to the certain conditions precedent, it is expected the sale will be closed out by no later than 5 August 2022 with Wingara expecting to recognise a non-cash accounting profit on sale of approximately \$1.5 million in FY23.

We are delighted that we have been able to identify a buyer who is not only keen to continue to service our customers but is also keen to invest in the future development of the site. We would like to express our gratitude to the management and staff of Austco Polar and we wish the business the very best under its new ownership. Importantly, Wingara management can now focus on seeking further growth opportunities in our core business, the fodder export business of JC Tanloden.

### A successful capital raise with strong support from shareholders

In the first quarter of FY22, we completed a successful capital raise of \$4.4m (net of transaction costs). The strong support from our shareholders assisted us to realise increased production and financial performance at JC Tanloden which consequently lead to a 723% increase in operating cash flows. This, in combination with strong working capital management, allowed us to reduce our net debt position by 29% ending the year on \$6.3 million (FY21: \$8.9 million).

### Board changes

On 23 September 2021 and 1 April 2022, we welcomed Brendan York and Marcello Diamante, respectively, to the Board of Directors. Brendan brings significant ASX-listed experience in financial and risk management,

governance, mergers and acquisitions and investor relations, whilst Marcello, who was the Chief Financial Officer of Wingara AG from its listing in February 2016 to November 2018, brings a wealth of operational and market knowledge to the Company. On behalf of the Board and Management, we would also like to thank Jeral D'Souza and Steven Chaur, who stepped down from the Board during the year, for their insight, knowledge and expertise.

### Well positioned for growth

Through FY22, Wingara has been able to reset the Company culture to focus on safety, productivity and setting a pathway to profitability. With a new operating cadence in place, management will be focused on three core pillars:

**Leveraging the strength of the export fodder market:** capitalising on strong export demand for fodder products (particularly in China, where JC Tanloden holds one of only three licenses to export). We anticipate an increase in production volume again to meet this market demand.

**Closing out the Austco Polar Cold Storage sale:** Austco Polar has absorbed scarce resources in capital and management time. Ensuring conditions precedent are met and the sale completes efficiently will allow the Company to re-set its focus on the opportunities in fodder.

**Inorganic growth opportunities:** Wingara has a unique platform as the only ASX-listed purely fodder export business. We believe there is a near-term opportunity to accelerate our growth and create a larger and more diversified fodder business.

### Thank you to all our stakeholders

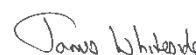
It would be an understatement to say the last 2 years have been extremely challenging. The macro-economic impacts of both COVID-19 and global geo-political instability have brought

significant supply chain and commercial disruptions, often resulting in increased costs, and which has been felt in all industries globally. Nevertheless, the underlying resilience of our markets, reflected in ever increasing demand, gives us the confidence that JC Tanloden will perform strongly over the foreseeable future. We would like to take this opportunity to thank the other members of the Board, our very supportive network of grower suppliers, customers in all markets, and all our staff for their hard work and resilience throughout these difficult times. Finally, we'd like to thank you, our shareholders, for supporting the company through this challenging period. The Board and the Executive team will continue to work hard to ensure that this business grows into what we know it has the potential to become.



**Mr David Christie**

**Non-Executive Chairman  
Wingara AG Limited**



**Mr James Whiteside**

**CEO  
Wingara AG Limited  
(appointed 1 July 2021)**

## 2022 Business Highlights



Wingara has continued to be resilient in the face of various global challenges and still maintain positive growth across the business.



## REVENUE (\$M)

\$50.1m ↑

Up 32%

## EBITDA (Continuing Operations) (\$M)

\$1.7m ↑

Up 74%

## SALES TONNES

96.6mt ↑

Up 51%

## NET OPERATING CASH FLOWS

\$2.6m ↑

Up 29%

## NET DEBT

\$6.3m ↓

Down 29%

- Consolidated revenue growth of 32% ending the year on \$50.1m (FY21: \$38.0m).
- JC Tanloden hay production volumes up 51% on FY21 and ending the year with sales of 96.6k MT.
- Growth across all financial performance metrics in our Continuing Operations before significant items including Revenue (up 43%), Gross Profit (up 75%), EBITDA (up 74%) and EBIT loss (down 470%).
- Completion of successful capital raise of \$4.4m.
- Strong working capital management resulting in year-on-year reduction in Net Debt, ending the year on \$6.3m (FY21: \$8.9m).
- Continued resilience across the business in continuing challenging conditions due to COVID-19.

# Sustainability & Environment and Corporate Governance

At Wingara we believe sustainable practices will drive profitability for our shareholders, as well as build a better business for all stakeholders to associate with, invest and work in.

One of our strategic priorities is developing and delivering an industry leading sustainability program to our catchment area in South-Eastern Australia.

Wingara continues to drive social responsibility through the support, development and growth of our farmers.

Established in 1985 JC Tanloden, has built sustainable and profitable relationships with its growers. Our strong farm gate presence and transparent communication ensure our growers are well informed on sustainable agricultural practices.

Wingara prides itself on working with both established growers, as well as those new to the industry to educate and develop production and marketing practices that continue to evolve the industry and our grower partners operations.

Wingara acknowledges that both the Epsom and Raywood sites are situated on Dja Dja Wurrung Country.

Over the life of the business Wingara has supported community events, not for profits, and community initiatives. This has been done through donations, events, educational and industry development initiatives and perhaps most importantly, local community employment, and we will continue to grow with our communities through our initiatives.

Through assisting generations of Australian farmers over the course of more than 35 years in business, JC Tanloden and Wingara recognises that our long-term sustainability depends on maintaining strong relationships within the communities we operate.

## Corporate Governance

Our Wingara values are integral to the way we do business and set the behavioural expectations of all employees and Directors. We believe that positive behaviour drives Wingara culture, which in turn contributes to our sustainable success and growth.

Our corporate governance framework seeks to inform and guide adherence to our values and our Board maintains regular engagement with senior management, to ensure that our values are aligned with what we do in practice.



### JC Tanloden – 275kWp Solar Energy Efficiency Program (Commissioned July 2018)

- The system has produced 346 megawatt hours (MWh) of electricity with a savings value in excess of \$59,000.
- 58% of total site electricity has been supplied by the system.
- Lifetime CO<sup>2</sup> emission savings are in excess of 766 tonnes of Carbon – the equivalent of planting 14,881 trees.

Information regarding how our organisation is governed, including the structure and operation of our Board and governing committees is available in our corporate governance statement available at: [wingaraag.com.au/investors/corporate-governance/](http://wingaraag.com.au/investors/corporate-governance/).

### Austco Polar Cold Storage – 450kWp Solar Energy Efficiency Program (Commissioned March 2019)

- The System has produced 477 megawatt hours (MWh) of electricity with a savings value of \$75,600 for the financial year.
- 19% of total site electricity has been supplied by the system.
- Lifetime CO<sup>2</sup> emission savings are in excess of 840 tonnes – the equivalent of planting 16,306 trees.

# Board of Directors



## Mr David Christie

**Non-Executive Chairman**



Mr Christie is a Co-Founder and COO of Wilson A.I. – a specialist Artificial Intelligence (AI) company developing and applying AI solutions for multiple industries. He is also a Co-founder of Amplifir Pty Ltd a Digital Marketing Agency.

Mr Christie is also a Non-Executive Director, Chair of the Remuneration & Nominations Committee and a member of the Audit & Risk Committee, of Kleos Space S.A. (ASX:KSS), a satellite company based out of Luxembourg and is a Non-Executive Director at Litigation Lending Services. He is also Chair of the Remuneration Committee for Litigation Lending Services Limited.

Over the past 20 years Mr Christie has served as a senior executive in London, Russia and New York at Renaissance Capital Bank, Deutsche Bank and Simmons & Simmons Lawyers; and in Australia at Minter Ellison Lawyers and iSelect Ltd. (ASX:ISU), where he held the roles of Chief Strategy Officer, General Counsel and Company Secretary with responsibility over Legal affairs, Compliance, Governance, Human Resources, IT, Investor Relations, Public Relations and Litigation/Disputes.

## Mr Brendan York

**Non-Executive Director**  
(appointed 23 September 2021)



Mr York brings significant ASX-listed experience in financial and risk management, governance, mergers and acquisitions, and investor relations. He was Chief Financial Officer and Company Secretary of Eneco Group Limited, where he was responsible for the finance function of the global marketing services group with operations across 7 countries and 13 cities worldwide.

Mr York previously gained Big 4 accounting experience at KPMG and has recently transitioned into funds management as a Portfolio Manager at NAOS Asset Management Limited. He is also a Non-Executive Director and Chair of the Audit and Risk Committee of Big River Industries Limited and a Non-Executive Director and Chair of the Audit and Risk Committee of BSA Limited.

## Marcello Diamante

**Non-Executive Director**  
(appointed 1 April 2022)



Mr Diamante brings over 25 years' experience in Finance, Mergers & Acquisitions, Project Development & Digital Transformation. Over the years, Mr Diamante has successfully consulted and built a range of businesses, with a particular focus on growth and expansion including greenfield and brownfield developments in Energy and Agriculture.

Mr Diamante was Chief Financial Officer of WNR from its listing in February 2016 to November 2018, led the construction of WNR's Raywood processing facility and has a strong understanding of operations and the opportunities for the Company.

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# Directors' report

31 March 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 (together referred to hereafter as the 'Consolidated Entity') at the end of, or during, the year ended 31 March 2022.

## Directors

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

Mr David Christie – Non-Executive Chairman  
 Mr Jeral D'Souza – Non-Executive Director (resigned 21 October 2021)  
 Mr Steven Chaur – Non-Executive Director (resigned 1 April 2022)  
 Mr Brendan York – Non-Executive Director (appointed 23 September 2021)  
 Mr Marcello Diamante – Non-Executive Director (appointed 1 April 2022)

## Principal activities

During the year, the principal continuing activities of the Consolidated Entity consist of acting as product processor and marketer of agricultural products, and also acting as service provider, providing temperature controlled facilities, blast freezing, storage and distribution.

## Dividends

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

## Review of results and operations<sup>1</sup>

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

The 2022 financial year (FY22) saw significant improvements in business performance but was impacted by a number of macroeconomic and social impacts well beyond the control of the business. These negative impacts included:

- the strengthening of commodity and other prices that began in FY21 accelerated substantially in FY22. Domestic hay prices increased in line with all soft commodities and the significant interruptions to global supply chains resulted in sea freight cost increases of 87% per tonne when compared to FY21. Passing these higher prices onto customers in Asian markets has been challenging and largely achieved, though has come with the risk of some demand destruction;
- the impact of COVID-19 throughout the year and in particular the arrival of the Omicron variant has created labour shortages at both JC Tanloden and Austco Polar. For the JC Tanloden business, significant plant downtime in the last four months of the financial year was caused by staff unable to come to work. This also impacted critical preventative maintenance activities and the commissioning of new equipment to lift plant performance. The Austco Polar business had a number of its key customers (particularly abattoirs) interrupted by labour shortages, which substantially impacted our blast freezing volumes and plant throughput; and
- a number of unfavourable contracts entered into by previous management including high priced hay contracts and out-of-the-money foreign exchange positions.

Notwithstanding these complexities, the new management team lead by CEO James Whiteside (who commenced on 1 July 2021) has, in a short period of time, strengthened the commercial position of the company by focusing on supplier and customer relationships, resetting operating processes and controls and steadily improving its reporting transparency.

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 year prior to including the effect of net finance costs, income taxes and loss from operations held for sale. Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects profits for the year prior to including the effect of net finance costs, income taxes, depreciation and amortisation and loss from operations held for sale. 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 capital raise and share placement costs, share-based payment expenses, project related costs, loss on disposal of property, plant and equipment, impairment of receivables and one-off legal fees. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

## Directors' report

Continued

Key achievements in FY22 include:

- consolidated revenue growth of 32% ending the year on \$50,064,218 (FY21: \$38,009,411) driven by the JC Tanloden business with hay production volumes up 51% on FY21 and ending the year with sales of 96,581 tonnes (FY21: 63,912);
- continued focus on margins and operating processes has resulted in growth across all financial performance metrics in our Continuing Operations (excluding Austco Polar, see next paragraph) before significant items including Revenue (up 43%), Gross Profit (up 75%), EBITDA (up 74%), EBIT loss (down 470%); and
- strong working capital management resulting in year-on-year reduction in Net Debt, ending the year on \$6,284,066 (FY21: \$8,861,157).

In addition, during the first half of FY22 management announced that it had completed a strategic review of Austco Polar Cold Storage and determined that this business is non-core to the Company's future growth strategy given the substantial growth opportunities available through JC Tanloden. Accordingly, a business broker has been engaged to run a sale process to realise the business' value. Austco Polar's results from operations for the twelve months ended 31 March 2022 and 2021 have therefore been re-presented as results from operations held for sale.

### Summary of financial results

|                                                   | 31 MARCH 2022 | 31 MARCH 2021 | CHANGE |
|---------------------------------------------------|---------------|---------------|--------|
|                                                   | \$            | \$            |        |
| Revenue                                           | 39,346,244    | 27,608,403    | 43%    |
| Gross profit                                      | 16,071,803    | 9,186,341     | 75%    |
| EBITDA before significant items                   | 1,721,262     | 987,512       | 74%    |
| EBIT before significant items                     | 328,054       | (88,825)      | (469%) |
| NLAT before significant items                     | (2,484,148)   | (1,371,897)   | 81%    |
| Operations held for sale before significant items | (1,380,855)   | (1,798,975)   | (23%)  |
| Significant items                                 | (5,831,897)   | (3,061,937)   | 90%    |
| Net loss attributable to shareholders             | (9,696,900)   | (6,232,809)   | 56%    |

### Summary of significant items

#### From continuing operations

|                                                   |             |           |        |
|---------------------------------------------------|-------------|-----------|--------|
| Equity settled share-based payments               | (53,849)    | 99,000    | (154%) |
| Loss on disposal of property, plant and equipment | (2,931,870) | (149,658) | 1859%  |
| Project expenses                                  | (90,161)    | (129,758) | (31%)  |
| Legal fees                                        | (140,337)   | -         | (100%) |
| Impairment of receivables                         | -           | (977,288) | 100%   |
| Restructure costs                                 | -           | (299,000) | 100%   |
| Forfeiture of deposit                             | -           | (268,000) | 100%   |
| Mark-to-market inventory adjustment               | -           | (661,000) | 100%   |

**(3,216,217) (2,385,704) 35%**

#### From operations held for sale

|                                                   |             |           |        |
|---------------------------------------------------|-------------|-----------|--------|
| Loss on disposal of property, plant and equipment | (2,559,340) | (358,531) | 614%   |
| Restructure costs                                 | -           | (197,000) | (100%) |
| Project expenses                                  | (56,340)    | (120,702) | (53%)  |

**(2,615,680) (676,233) 287%**

|              |                    |                    |            |
|--------------|--------------------|--------------------|------------|
| <b>Total</b> | <b>(5,831,897)</b> | <b>(3,061,937)</b> | <b>90%</b> |
|--------------|--------------------|--------------------|------------|

## Directors' report

Continued

The Consolidated Entity's total revenues from continuing operations increased by 43% to \$39,346,244 (FY21: \$27,608,403) reflecting a strong revenue result from JC Tanloden. This was driven by higher production volumes for the year of 96,581 MT (FY21: 63,912 MT) as a result of higher machinery uptime and increasing daily production hours.

Gross profit ended the year on \$16,071,803 (FY21: \$9,186,341) representing an increase on prior comparative period of \$6,885,462, or 75%.

The net loss attributable to the Consolidated Entity's shareholders of \$9,696,900 (FY21: loss of \$6,232,809) includes:

- an increase of \$3,594,443 in freight costs to \$7,793,942 (FY21: \$4,199,499) driven by an increase in production volumes, as well as the impact of COVID-19 on the costs associated with logistics, including port storage costs due to shipping delays;
- an increase in indirect employee costs by \$799,990 to \$3,109,576 (FY21: \$2,309,586) resulting from (i) lower capitalised salaries and wages due to reduced allocation to project work in FY22; and (ii) investment in site leadership and safety personnel;
- foreign exchange losses of \$1,389,863 (FY21: \$291,526), an increase of \$1,098,337 due to unfavourable currency hedge positions entered into in FY21 with the USD strengthening this year;
- a \$363,019 increase in finance costs to \$1,430,615 (FY21: \$1,067,596) due to higher levels of working capital financing; and
- a loss from operations held for sale after tax of \$3,996,535 (FY21: loss of \$2,475,208).

FY22 reported results include significant items of \$5,831,897 (FY21: \$3,061,937) comprised mainly of \$5,491,210 (FY21: \$508,189) relating to loss on disposal of property, plant and equipment.

### Operational performance

|                                 | FODDER<br>JC TANLODEN | CORPORATE     | TOTAL<br>CONTINUING<br>BUSINESS | SERVICE<br>AUSTCO<br>POLAR | TOTAL         |
|---------------------------------|-----------------------|---------------|---------------------------------|----------------------------|---------------|
| <b>31 MARCH 2022</b>            |                       |               |                                 |                            |               |
| Revenue                         | \$39,346,244          | –             | \$39,346,244                    | \$10,717,974               | \$50,064,218  |
| Gross profit                    | \$16,071,803          | –             | \$16,071,803                    | \$3,724,889                | \$19,796,692  |
| EBITDA before significant items | \$3,957,401           | (\$2,236,139) | \$1,721,262                     | \$502,563                  | \$2,223,825   |
| EBIT before significant items   | \$2,624,292           | (\$2,296,238) | \$328,054                       | (\$1,336,387)              | (\$1,008,333) |

|                                 | FODDER<br>JC TANLODEN | CORPORATE     | TOTAL<br>CONTINUING<br>BUSINESS | SERVICE<br>AUSTCO<br>POLAR | TOTAL        |
|---------------------------------|-----------------------|---------------|---------------------------------|----------------------------|--------------|
| <b>31 MARCH 2021</b>            |                       |               |                                 |                            |              |
| Revenue                         | \$27,608,403          | –             | \$27,608,403                    | \$10,401,008               | \$38,009,411 |
| Gross profit                    | \$9,186,341           | –             | \$9,186,341                     | \$4,001,673                | \$13,188,014 |
| EBITDA before significant items | \$3,079,170           | (\$2,091,658) | \$987,512                       | \$1,544,926                | \$2,532,438  |
| EBIT before significant items   | \$2,058,081           | (\$2,146,906) | (\$88,825)                      | (\$277,650)                | (\$366,475)  |

### JC Tanloden

#### Operating metrics

|                                           | 31 MARCH 2022 | 31 MARCH 2021 | CHANGE |
|-------------------------------------------|---------------|---------------|--------|
| Production volumes (tonnes)               | 96,581        | 63,912        | 51%    |
| Revenue per tonne                         | \$407         | \$432         | (6%)   |
| EBITDA before significant items per tonne | \$41          | \$48          | (15%)  |
| EBIT before significant items per tonne   | \$27          | \$32          | (16%)  |

## Directors' report

### Continued

Revenue from continuing operations in FY22 was up 43% to \$39,346,244 (FY21: \$27,608,403), reflecting a strong performance from JC Tanloden.

Production volumes at JC Tanloden continue to hit record highs ending the year on 96,581 MT (FY21: 63,912 MT), up 51%.

- Strong shareholder support for the successful commissioning of an additional press at the Raywood facility.
- Strong export demand in all markets.

Revenue per tonne is down by 6% when compared to prior comparative period (pcp) ending FY22 on \$407 (FY21: \$432) driven by (i) product sales mix with a higher concentration of sales made towards lower hay grades when compared to the pcp; and (ii) the strengthening of the AUD over the last 12 months.

EBITDA before significant items for FY22 was \$3,957,401 (FY21: \$3,079,170), up by \$878,231. Despite the macro-economy and legacy headwinds, the increase in EBITDA performance was driven by higher production output as a result of higher machine uptime, and increased focus on margins supported by the implementation of new sales and operating processes (S&OP).

### Austco Polar Cold Storage

#### Operating metrics

|                                            | 31 MARCH 2022 | 31 MARCH 2021 | CHANGE |
|--------------------------------------------|---------------|---------------|--------|
| Blast volumes (cartons)                    | 1,790,569     | 1,642,067     | 9%     |
| Revenue per carton                         | \$5.99        | \$6.33        | (5%)   |
| EBITDA before significant items per carton | \$0.28        | \$0.94        | (70%)  |
| EBIT before significant items per carton   | (\$0.75)      | (\$0.17)      | (341%) |

Revenue generated by the Austco Polar business increased during FY22 by 3% to \$10,717,974 (2021: \$10,401,008), despite the loss of a high revenue per carton customer in FY21.

- Austco Polar's services remained resilient with demand for Australian meat exports in Asia continuing to grow. Blast volumes ended FY22 on 1,790,569, up by 9% when compared to prior comparative period.
- Strengthening of on-site management allowed for increased focus to optimise commercial engagement leading to on-boarding of new customers and reviewed contractual terms.

EBITDA before significant items ended the year on \$502,563 (2021: \$1,544,926), down by \$1,042,363 due to (i) increases in direct labour costs per hour resulting from labour shortages as a result of the global pandemic; and (ii) loss of significant, high revenue and EBITDA per carton contributing customer in the second half of FY21. Notwithstanding this, with the exception of Q4 FY22 due to the Omicron variant disruption, the EBITDA initiatives undertaken by management is starting to come to fruition with quarter-on-quarter improvements evident as the business moves towards profitability.

## Directors' report

Continued

### Financial position metrics

|                                         | 31 MARCH 2022       | 31 MARCH 2021       | CHANGE       |
|-----------------------------------------|---------------------|---------------------|--------------|
|                                         | \$                  | \$                  |              |
| Cash                                    | 1,513,670           | 1,920,453           | (21%)        |
| Working capital                         | (1,647,973)         | (1,227,846)         | 34%          |
| Property, plant and equipment           | 13,480,711          | 20,748,188          | (35%)        |
| Right-of-use assets                     | 4,042,997           | 23,241,791          | (83%)        |
| Intangibles                             | 1,816,075           | 1,816,075           | 0%           |
| Assets classified as held for sale      | 20,813,038          | –                   | 100%         |
| Other non-current assets                | 20,585              | 137,686             | (85%)        |
| <b>Total assets and working capital</b> | <b>40,039,103</b>   | <b>46,636,347</b>   | <b>(14%)</b> |
| Lease liabilities                       | (2,775,490)         | (23,907,520)        | (88%)        |
| Borrowings                              | (5,766,000)         | (7,872,000)         | (27%)        |
| Liabilities classified as held for sale | (21,847,161)        | –                   | (100%)       |
| <b>Total liabilities</b>                | <b>(30,388,651)</b> | <b>(31,779,520)</b> | <b>(4%)</b>  |
| <b>Net assets</b>                       | <b>9,650,452</b>    | <b>14,856,827</b>   | <b>(35%)</b> |

### Net debt metrics<sup>2</sup>

| (\$'000)                     | 31 MARCH 2022    | 31 MARCH 2021    | CHANGE       |
|------------------------------|------------------|------------------|--------------|
|                              | \$               | \$               |              |
| Borrowings <sup>3</sup>      | 7,911,613        | 10,781,610       | (27%)        |
| Cash                         | (1,627,547)      | (1,920,453)      | (15%)        |
| <b>Net Debt</b>              | <b>6,284,066</b> | <b>8,861,157</b> | <b>(29%)</b> |
| Net assets                   | 9,650,452        | 14,856,827       | (35%)        |
| Net debt to net assets ratio | 65%              | 60%              | 5pp          |

The Austco Polar business is now aggregated into separate assets and liabilities held for sale. Balances therefore reflect the JC Tanloden and Corporate business units only.

Notwithstanding a strong operating cash flow result, cash balance has decreased by 21% due predominantly to increased net borrowing repayments ending the year on \$3,353,781 (FY21: \$1,914,069). Working capital decreased by 34% due to focus on cash collections and creditor management.

Reduction in total borrowings (excluding AASB 16 *Lease Liabilities*) of 27% due to on-time principal repayments and strong operating cash flow performance allowing for voluntary reduction in revolving loan facility. As a result, net debt as at 31 March 2022 is \$6,284,066 showing a decrease from prior year of \$2,577,091 (or 29%).

2. Includes operations held for sale.

3. Excludes impact of AASB16 lease liabilities.

## Directors' report

Continued

### Cash flow metrics

|                                                        | 31 MARCH 2022      | 31 MARCH 2021      | CHANGE       |
|--------------------------------------------------------|--------------------|--------------------|--------------|
|                                                        | \$                 | \$                 |              |
| EBITDA before significant items                        | 1,721,262          | 987,513            | 74%          |
| Cash outflow from significant items                    | (286,837)          | (759,073)          | (62%)        |
| Working capital movements                              | 1,559,859          | 744,511            | 110%         |
| Cash flow from operations held for sale                | 869,682            | 229,001            | 280%         |
| <b>Gross operating cash flow</b>                       | <b>3,863,966</b>   | <b>1,201,952</b>   | <b>221%</b>  |
| Finance costs and tax refunds/(payments)               | (1,256,017)        | (884,997)          | 42%          |
| <b>Net operating cash flow</b>                         | <b>2,606,949</b>   | <b>316,955</b>     | <b>723%</b>  |
| Capital expenditure payments, net of proceeds received | (1,905,331)        | (4,017,373)        | (53%)        |
| Settlement of lease obligations                        | (3,326,196)        | (3,054,731)        | 9%           |
| <b>Free cash flow</b>                                  | <b>(2,623,578)</b> | <b>(6,755,149)</b> | <b>(61%)</b> |
| <b>Cash conversion<sup>4</sup></b>                     | <b>152%</b>        | <b>32%</b>         | <b>120pp</b> |

Strong operating cash flow result for FY22 ending the year on \$2,606,949 (FY21: \$316,955) as a result of working capital management driving up cash conversion by 120pp when compared to prior year.

Free cash outflow improved from last year by \$4,131,571 ending FY22 with a net outflow of \$2,623,578 (FY21: net outflow of \$6,755,149). This was driven by (i) improved operating performance and therefore operating cash flows; and (ii) significantly lower capital expenditure investment as a result of lower labour capitalisation and an improved capital approval process implemented.

### Outlook

Whilst FY22 was challenging, the business has made significant progress throughout the year and this improvement is forecast to continue into Financial Year 2023 (FY23). The focus in FY23 will be on:

- continuing to improve our safety performance by focusing on people, plant and processes;
- further increasing machinery uptime through efficient and robust processes and a more strategic approach to preventative maintenance;
- further improving the uptime of the recently commissioned additional hay bailing machine;
- continuing to engage with growers to ensure we have contracted sufficient quantities of high-quality hay to meet strong customer demand and to ensure that higher hay and supply chain costs are recovered from the market;
- active engagement with JC Tanloden customers to endeavour to cover more of the increased supply change costs in the sales price; and
- continue the process to divest Austco Polar Cold Storage whilst focusing on a number of profit improvement initiatives.

4. Calculated as net operating cash flow/EBITDA.

## Directors' report

Continued

### Significant changes in the state of affairs

On 31 August 2021, the Consolidated Entity announced that it is undertaking a 7 for 10 accelerated pro rata non-renounceable entitlement offer (Entitlement Offer). Eligible shareholders under the Entitlement Offer will be able to subscribe for 7 fully paid ordinary shares for every 10 fully paid ordinary shares held (Entitlements) at the Record Date (New Shares). For each New Share issued, 1 free unlisted non-tradeable option with an expiry date of 31 December 2023 and an exercise price of \$0.17 (17 cents) is to be attached.

As a result, on 6 September 2021, the Consolidated Entity issued 2,045,454 fully paid ordinary shares at \$0.11 (11 cents) per fully paid ordinary share and 2,045,454 unquoted options with an expiry date of 31 December 2023 and an exercise price of \$0.17 (17 cents).

On 23 September 2021, the Consolidated Entity issued a further 39,549,324 fully paid ordinary shares at \$0.11 (11 cents) per fully paid ordinary share and 39,549,324 unquoted options with an expiry date of 31 December 2023 and an exercise price of \$0.17 (17 cents) per fully paid ordinary share.

On 4 November, the Consolidated Entity issued a further 227,272 fully paid ordinary shares at \$0.11 (11 cents) per fully paid ordinary share and 227,272 unquoted options with an expiry date of 31 December 2023 and an exercise price of \$0.17 (17 cents) per fully paid ordinary share in accordance with the terms of the Entitlement Offer.

On 21 September 2021, the Consolidated Entity granted 938,181 fully paid ordinary shares to employees in accordance with the terms of the Company's Employee Share Scheme. The weighted average fair value of the shares granted was \$0.11 per fully paid ordinary share.

On 23 September 2021, Mr Brendan York was appointed to the Board of Directors as a Non-Executive Director.

On 21 October 2021, Mr Jeral D'Souza resigned as a director of the Company.

On 31 October 2021, Ms Vanessa Chidrawi resigned as Company Secretary. On 1 November 2021, Ms Natalie Climo was appointed as the Company's new Company Secretary.

On 26 November 2021, 1,200,000 unquoted options were cancelled by agreement between the entity and the holder.

On 22 December 2021, the Consolidated Entity issued 3,816,603 Performance Rights to employees under the Employee Share Scheme.

Other than disclosed elsewhere in the Directors' Report and the Consolidated Entity's financial statements and notes thereto, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

### Matters subsequent to the end of the financial year

On 1 April 2022, Mr Steven Chaur resigned as a director of the Company and Mr Marcello Diamante was appointed to the Board of Directors as a Non-Executive Director.

On 22 June 2022, Wingara entered into binding agreements with AP Cold Storage Pty Ltd and Sui Garden Pty Ltd (together referred to as 'Purchasers') for the sale of Austco Polar Cold Storage Pty Ltd. Austco Polar will be sold to the Purchasers for a cash consideration of \$1.45 million (\$100 thousand in cash for the business and \$1.35 million cash for Wingara to satisfy retained working capital obligations), subject to a working capital adjustment. The transaction is expected to be completed by 5 August 2022 subject to conditions customary for a transaction of this nature including completion of due diligence and satisfaction of conditions precedent. The sale of Austco Polar marks the end of an asset divestment process announced on 24 August 2021.

No other matter or circumstance has arisen since 31 March 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.

### Likely developments and expected results of operations

There are no likely developments or details on the expected results of operations that the Consolidated Entity has not disclosed.

### Environmental regulation

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Directors' report

Continued

### Information on directors

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                            | <b>Mr David Christie</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Title:</b>                                           | Non-Executive Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Qualifications:</b>                                  | GAICD, BA, LLB, LLM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Experience and expertise:</b>                        | <p>Mr David Christie is a Co-Founder and COO of Wilson A.I. – a specialist Artificial Intelligence (AI) company developing and applying AI solutions for multiple industries. He is also a Co-founder of Amplifir Pty Ltd a Digital Marketing Agency.</p> <p>David is also a Non-Executive Director, Chair of the Remuneration &amp; Nominations Committee and a member of the Audit &amp; Risk Committee, of Kleos Space S.A. (ASX:KSS), a satellite company based out of Luxembourg and is a Non-Executive Director at Litigation Lending Services. He is also Chair of the Remuneration Committee for Litigation Lending Services Limited.</p> <p>Over the past 20 years David has served as a senior executive in London, Russia and New York at Renaissance Capital Bank, Deutsche Bank and Simmons &amp; Simmons Lawyers; and in Australia at Minter Ellison Lawyers and iSelect Ltd. (ASX:ISU), where he held the roles of Chief Strategy Officer, General Counsel and Company Secretary with responsibility over Legal affairs, Compliance, Governance, Human Resources, IT, Investor Relations, Public Relations and Litigation/Disputes.</p> |
| <b>Other current directorships<sup>5</sup>:</b>         | Kleos Space S.A. (ASX:KSS), Litigation Lending Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Former directorships (last 3 years)<sup>6</sup>:</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Special responsibilities:</b>                        | Member of the Audit and Risk Committee and the Remuneration and Nomination Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Interests in shares:</b>                             | 729,866 ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Interests in options:</b>                            | 149,174 unlisted options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Name:</b>                                            | <b>Mr Brendan York</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Title:</b>                                           | Non-Executive Director (appointed 23 September 2021)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Qualifications:</b>                                  | Mr York holds a Bachelor of Business Administration and Commerce (Accounting) and is a member of the institute of Chartered Accountants Australia & New Zealand.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Experience and expertise:</b>                        | <p>Mr York brings significant ASX-listed experience in financial and risk management, governance, mergers and acquisitions, and investor relations. He was Chief Financial Officer and Company Secretary of Eneo Group Limited, where he was responsible for the finance function of the global marketing services group with operations across 7 countries and 13 cities worldwide.</p> <p>Mr York previously gained Big 4 accounting experience at KPMG and has recently transitioned into funds management as a Portfolio Manager at NAOS Asset Management Limited. He is also a Non-Executive Director and Chair of the Audit and Risk Committee of Big River Industries Limited and a Non-Executive Director and Chair of the Audit and Risk Committee of BSA Limited.</p>                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Other current directorships<sup>5</sup>:</b>         | Big River Industries Limited (ASX:BRI) and BSA Limited (ASX:BSA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Former directorships (last 3 years)<sup>6</sup>:</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Special responsibilities:</b>                        | Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Interests in shares:</b>                             | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Interests in options:</b>                            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Directors' report

Continued

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                            | <b>Mr Marcello Diamante</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Title:</b>                                           | Non-Executive Director (appointed 1 April 2022)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Qualifications:</b>                                  | Mr Diamante holds a Bachelor Degree in Economics and Finance from RMIT and is a Chartered Financial Analyst with the CFA Institute.                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Experience and expertise:</b>                        | Mr Diamante brings over 25 years' experience in Finance, Mergers & Acquisitions, Project Development & Digital Transformation. Over the years, Mr Diamante has successfully consulted and built a range of businesses, with a particular focus on growth and expansion including greenfield and brownfield developments in Energy and Agriculture. He was Chief Financial Officer of WNR from its listing in February 2016 to November 2018, led the construction of WNR's Raywood processing facility and has a strong understanding of operations and the opportunities for the Company. |
| <b>Other current directorships<sup>5</sup>:</b>         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Former directorships (last 3 years)<sup>6</sup>:</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Special responsibilities:</b>                        | Chairman of the Remuneration and Nomination Committee and member of the Audit and Risk Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Interests in shares:</b>                             | 2,807,428                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Interests in options:</b>                            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

### Company secretary

#### Ms Natalie Climo

Ms Climo has 12 years-experience working in the corporate sector. Previously she was an in-house lawyer for a global oil and gas company, and more recently as a company secretary for a portfolio of ASX listed, unlisted Australian and foreign companies. Admitted as a lawyer to the Supreme Court of Queensland, Ms Climo has extensive experience in company secretarial and governance management of ASX listed and unlisted companies and has a comprehensive understanding of the ASX listing rules, the ASIC regulatory environment and the Australian Corporations Law. Ms Climo holds a Graduate Diploma in Legal Practice and a Bachelor of Laws.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2022, and the number of meetings attended by each director were:

|                                   | FULL BOARD |      | AUDIT COMMITTEE |      | REMUNERATION COMMITTEE |      |
|-----------------------------------|------------|------|-----------------|------|------------------------|------|
|                                   | Attended   | Held | Attended        | Held | Attended               | Held |
| David Christie                    | 12         | 12   | 2               | 2    | 2                      | 2    |
| Jeral D'Souza <sup>(i)</sup>      | 7          | 8    | 1               | 1    | 1                      | 1    |
| Steven Chaur <sup>(ii)</sup>      | 12         | 12   | 1               | 1    | 2                      | 2    |
| Brendan York <sup>(iii)</sup>     | 7          | 7    | 1               | 1    | 1                      | 1    |
| Marcello Diamante <sup>(iv)</sup> | -          | -    | -               | -    | -                      | -    |

**Held:** represents the number of meetings held during the time the director held office or was a member of the relevant committee.

- (i) Mr Jeral D'Souza resigned as Non-Executive Director on 21 October 2021.
- (ii) Mr Steven Chaur resigned as Non-Executive Director on 1 April 2022.
- (iii) Mr Brendan York was appointed as Non-Executive Director on 23 September 2021.
- (iv) Mr Marcello Diamante was appointed as Non-Executive Director on 1 April 2022.

- 5. 'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.
- 6. 'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Directors' report

Continued

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- principles used to determine the nature and amount of remuneration;
- details of remuneration;
- service agreements;
- share-based compensation;
- additional information; and
- additional disclosures relating to key management personnel.

### Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Any share based payments to Non-executive directors are based on the discretion of the Company.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was when the Company listed in December 2015, where the shareholders approved a maximum annual aggregate remuneration of \$300,000.

## Directors' report

Continued

### Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

### Consolidated entity performance and link to remuneration

The remuneration of Non-Executive Directors consists of an un-risked element (base pay) which is not linked to the performance of the Company in the current or previous reporting periods and share-based payments, which are awarded at the discretion of the Company. Executives are remunerated through a mix of un-risked remuneration (base pay) and a risked element through company options issued under the company's employee share and option plan (ESOP) which is linked to the performance of the Company.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

### Voting and comments made at the Company's 26 August 2021 Annual General Meeting ('AGM')

At the 26 August 2021 AGM, 99.23% of the votes received supported the adoption of the remuneration report for the year ended 31 March 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Wingara AG Limited:

- Mr David Christie – Non-Executive Chairman;
- Mr Jeral D'Souza – Non-Executive Director (resigned 21 October 2021);
- Mr Steven Chaur – Non-Executive Director (resigned 1 April 2022);
- Mr Brendan York – Non-Executive Director (appointed 23 September 2021); and
- Mr Marcello Diamante – Non-Executive Director (appointed 1 April 2022).

And the following member of key management personnel:

- Mr James Whiteside – Chief Executive Officer (appointed 1 July 2021);
- Mr Jae Tan – Chief Financial Officer (appointed 19 July 2021); and
- Mr Zane Banson – Chief Commercial Officer.

## Directors' report

Continued

| 31 MARCH 2022                          | SHORT-TERM BENEFITS        |                                   | POST-EMPLOYMENT BENEFITS | VESTING SHARE-BASED PAYMENTS |                |
|----------------------------------------|----------------------------|-----------------------------------|--------------------------|------------------------------|----------------|
|                                        | Cash salary and fees<br>\$ | Movement in leave Provision<br>\$ | Super-annuation<br>\$    | Equity-settled<br>\$         | Total<br>\$    |
| <i>Non-Executive Directors:</i>        |                            |                                   |                          |                              |                |
| David Christie                         | 125,673                    | –                                 | 12,386                   | 40,000                       | 178,059        |
| Jeral D'Souza <sup>(i)</sup>           | 29,869                     | –                                 | 2,919                    | –                            | 32,788         |
| Steven Chaur <sup>(ii)</sup>           | 50,009                     | –                                 | 4,934                    | –                            | 54,943         |
| Brendan York <sup>(iii)</sup>          | 21,154                     | –                                 | 2,115                    | –                            | 23,269         |
| Marcello Diamante <sup>(iv)</sup>      | –                          | –                                 | –                        | –                            | –              |
| <i>Other Key Management Personnel:</i> |                            |                                   |                          |                              |                |
| James Whiteside <sup>(v)</sup>         | 215,769                    | 7,183                             | 21,577                   | –                            | 244,529        |
| Jae Tan <sup>(vi)</sup>                | 148,077                    | 4,719                             | 14,808                   | 20,000                       | 187,604        |
| Zane Banson <sup>(vii)</sup>           | 242,808                    | 4,273                             | 23,944                   | –                            | 271,025        |
|                                        | <b>833,359</b>             | <b>16,175</b>                     | <b>82,683</b>            | <b>60,000</b>                | <b>992,217</b> |

(i) Mr Jeral D'Souza resigned as Non-Executive Director on 21 October 2021.

(ii) Mr Steven Chaur resigned as Non-Executive Director on 1 April 2022.

(iii) Mr Brendan York was appointed as Non-Executive Director on 23 September 2021.

(iv) Mr Marcello Diamante was appointed as Non-Executive Director on 1 April 2022.

(v) Mr James Whiteside was appointed as Chief Executive Officer on 1 July 2021.

(vi) Mr Jae Tan was appointed as Chief Financial Officer on 19 July 2021.

(vii) Mr Zane Banson was appointed to Chief Commercial Officer on 19 July 2021. Prior to 19 July 2021 he held the position of Interim-CEO.

| 31 MARCH 2021                          | SHORT-TERM BENEFITS        |                                   | POST-EMPLOYMENT BENEFITS |                                         | VESTING SHARE-BASED PAYMENTS |                  |
|----------------------------------------|----------------------------|-----------------------------------|--------------------------|-----------------------------------------|------------------------------|------------------|
|                                        | Cash salary and fees<br>\$ | Movement in leave Provision<br>\$ | Super-annuation<br>\$    | Termination benefits <sup>7</sup><br>\$ | Equity-settled<br>\$         | Total<br>\$      |
| <i>Non-Executive Directors:</i>        |                            |                                   |                          |                                         |                              |                  |
| David Christie                         | 84,849                     | –                                 | 8,061                    | –                                       | 40,000                       | 132,910          |
| Jeral D'Souza                          | 40,692                     | –                                 | 3,866                    | –                                       | –                            | 44,558           |
| Steven Chaur                           | 17,756                     | –                                 | 1,687                    | –                                       | –                            | 19,443           |
| Mark Hardgrave                         | 9,659                      | –                                 | 918                      | –                                       | –                            | 10,577           |
| <i>Executive Directors:</i>            |                            |                                   |                          |                                         |                              |                  |
| Gavin Xing <sup>7</sup>                | 265,300                    | –                                 | 22,662                   | 135,000                                 | –                            | 422,962          |
| <i>Other Key Management Personnel:</i> |                            |                                   |                          |                                         |                              |                  |
| Zane Banson                            | 227,979                    | (334)                             | 21,658                   | –                                       | –                            | 249,303          |
| Kellie Barker <sup>8</sup>             | 216,874                    | –                                 | 15,492                   | 11,538                                  | –                            | 243,904          |
|                                        | <b>863,109</b>             | <b>(334)</b>                      | <b>74,344</b>            | <b>146,538</b>                          | <b>40,000</b>                | <b>1,123,657</b> |

7. Upon the resignation of Gavin Xing on 8 January 2021, the company paid six months' salary in lieu of notice of which \$67,500 was paid prior to 31 March 2021 together with outstanding leave entitlements. The balance of the six months salary in lieu of notice was paid in FY22.

8. Kellie Barker received a payment in lieu of notice which was paid prior to 31 March 2021 together with outstanding leave entitlements.

## Directors' report

Continued

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                                   | FIXED REMUNERATION |               | AT RISK – STI |               | AT RISK – LTI |               |
|----------------------------------------|--------------------|---------------|---------------|---------------|---------------|---------------|
|                                        | 31 March 2022      | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| <i>Non-Executive Directors:</i>        |                    |               |               |               |               |               |
| David Christie                         | 100%               | 100%          | –             | –             | –             | –             |
| Jeral D'Souza                          | 100%               | 100%          | –             | –             | –             | –             |
| Steven Chaur                           | 100%               | 100%          | –             | –             | –             | –             |
| Mark Hardgrave                         | –                  | 100%          | –             | –             | –             | –             |
| Brendan York                           | 100%               | –             | –             | –             | –             | –             |
| Marcello Diamante                      | –                  | –             | –             | –             | –             | –             |
| <i>Executive Directors:</i>            |                    |               |               |               |               |               |
| Gavin Xing                             | –                  | 100%          | –             | –             | –             | –             |
| <i>Other Key Management Personnel:</i> |                    |               |               |               |               |               |
| Kellie Barker                          | –                  | 100%          | –             | –             | –             | –             |
| James Whiteside                        | 100%               | –             | –             | –             | –             | –             |
| Jae Tan                                | 100%               | –             | –             | –             | –             | –             |
| Zane Banson                            | 100%               | 100%          | –             | –             | –             | –             |

## Directors' report

Continued

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

|                             |                                                                                                                                                          |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                | <b>David Christie</b>                                                                                                                                    |
| <b>Title:</b>               | Non-Executive Chairman                                                                                                                                   |
| <b>Agreement commenced:</b> | 9 June 2020                                                                                                                                              |
| <b>Term of agreement:</b>   | Open until a written notice of resignation is communicated by the Director.                                                                              |
| <b>Details:</b>             | From 1 January 2022: \$100,000 in Director Fees inclusive of superannuation.<br>Prior to 1 January 2022: \$135,000 in Director fees plus superannuation. |
| <b>Name:</b>                | <b>Jeral D'Souza</b> (resigned 21 October 2021)                                                                                                          |
| <b>Title:</b>               | Non-Executive Director                                                                                                                                   |
| <b>Agreement commenced:</b> | 26 September 2019                                                                                                                                        |
| <b>Term of agreement:</b>   | Open until a written notice of resignation is communicated by the Director.                                                                              |
| <b>Details:</b>             | \$55,000 in Director Fees inclusive of superannuation.                                                                                                   |
| <b>Name:</b>                | <b>Steven Chaur</b> (resigned 1 April 2022)                                                                                                              |
| <b>Title:</b>               | Non-Executive Director                                                                                                                                   |
| <b>Agreement commenced:</b> | 18 November 2020                                                                                                                                         |
| <b>Term of agreement:</b>   | Open until a written notice of resignation is communicated by the Director.                                                                              |
| <b>Details:</b>             | \$55,000 in Director Fees inclusive of superannuation.                                                                                                   |
| <b>Name:</b>                | <b>Brendan York</b>                                                                                                                                      |
| <b>Title:</b>               | Non-Executive Director                                                                                                                                   |
| <b>Agreement commenced:</b> | 23 September 2021                                                                                                                                        |
| <b>Term of agreement:</b>   | Open until a written notice of resignation is communicated by the Director.                                                                              |
| <b>Details:</b>             | \$55,000 in Director Fees inclusive of superannuation.                                                                                                   |
| <b>Name:</b>                | <b>Marcello Diamante</b>                                                                                                                                 |
| <b>Title:</b>               | Non-Executive Director                                                                                                                                   |
| <b>Agreement commenced:</b> | 1 April 2022                                                                                                                                             |
| <b>Term of agreement:</b>   | Open until a written notice of resignation is communicated by the Director.                                                                              |
| <b>Details:</b>             | \$55,000 in Director Fees inclusive of superannuation.                                                                                                   |

## Directors' report

Continued

|                             |                                                   |
|-----------------------------|---------------------------------------------------|
| <b>Name:</b>                | <b>James Whiteside</b>                            |
| <b>Title:</b>               | Chief Executive Officer                           |
| <b>Agreement commenced:</b> | 1 July 2021                                       |
| <b>Term of agreement:</b>   | 4 months of notice by either company or employee. |
| <b>Details:</b>             | \$300,000 plus superannuation.                    |
| <b>Name:</b>                | <b>Jae Tan</b>                                    |
| <b>Title:</b>               | Chief Financial Officer                           |
| <b>Agreement commenced:</b> | 19 July 2021                                      |
| <b>Term of agreement:</b>   | 3 months of notice by either company or employee. |
| <b>Details:</b>             | \$220,000 plus superannuation.                    |
| <b>Name:</b>                | <b>Zane Banson</b>                                |
| <b>Title:</b>               | Chief Commercial Officer                          |
| <b>Agreement commenced:</b> | 8 June 2018                                       |
| <b>Term of agreement:</b>   | 3 months of notice by either company or employee. |
| <b>Details:</b>             | \$240,000 plus superannuation.                    |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 March 2022 are set out below:

| NAME           | DATE              | SHARES  | ISSUE PRICE |
|----------------|-------------------|---------|-------------|
| David Christie | 21 September 2021 | 367,587 | \$0.109     |
| Jae Tan        | 21 September 2021 | 161,503 | \$0.124     |

These share issues are part of contractual arrangements with the Company and where required, approved by shareholders at the most recent AGM.

### Performance rights

The terms and conditions of each grant of performance right over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| NAME                                   | NUMBER OF RIGHTS GRANTED | GRANT DATE      | VESTING DATE AND EXERCISABLE DATE | EXPIRY DATE | EPS HURDLE FOR VESTING | FAIR VALUE PER RIGHT AT GRANT DATE |
|----------------------------------------|--------------------------|-----------------|-----------------------------------|-------------|------------------------|------------------------------------|
| <i>Other Key Management Personnel:</i> |                          |                 |                                   |             |                        |                                    |
| James Whiteside                        | 1,516,531                | 1 December 2021 | 31 May 2024                       | 31 May 2024 | \$0.008                | \$0.099                            |
| Zane Banson                            | 970,580                  | 1 December 2021 | 31 May 2024                       | 31 May 2024 | \$0.008                | \$0.099                            |
| Jae Tan                                | 889,698                  | 1 December 2021 | 31 May 2024                       | 31 May 2024 | \$0.008                | \$0.099                            |

## Directors' report

Continued

For any of the Rights to vest, the employees must remain continuously employed by the Company until 31 May 2024. The number of Rights that will vest will be based on the Consolidated Entity's Basic Earnings per Share (EPS) achieved for the Financial Year 2024 (FY24) (1 April 2023 to 31 March 2024) is:

| EARNINGS PER SHARE ACHIEVED FOR THE FINANCIAL YEAR 2024 | % OF RIGHTS TO VEST               |
|---------------------------------------------------------|-----------------------------------|
| Less than 0.8 cps                                       | 0%                                |
| Between 0.8 cps and 1.0 cps                             | Pro-rata on a straight line basis |
| Greater than 1.0 cps                                    | 100%                              |

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 March 2022 are set out below:

|                                        | NUMBER OF RIGHTS GRANTED DURING THE YEAR | NUMBER OF RIGHTS GRANTED DURING THE YEAR | NUMBER OF RIGHTS VESTED DURING THE YEAR | NUMBER OF RIGHTS VESTED DURING THE YEAR |
|----------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------|
| Name                                   | 31 March 2022                            | 31 March 2021                            | 31 March 2022                           | 31 March 2021                           |
| <i>Other Key Management Personnel:</i> |                                          |                                          |                                         |                                         |
| James Whiteside                        | 1,516,531                                | -                                        | -                                       | -                                       |
| Zane Banson                            | 970,580                                  | -                                        | -                                       | -                                       |
| Jae Tan                                | 889,698                                  | -                                        | -                                       | -                                       |

During the financial year 2022, no share-based payment charge was recognised in the statement of profit or loss and comprehensive income for these performance rights as they were not assessed as probable to vest.

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 March 2022.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 March 2022.

### Additional information

The earnings of the Consolidated Entity for the five years to 31 March 2022 are summarised below:

|                                    | 31 MARCH 2022 | 31 MARCH 2021 | 31 MARCH 2020 | 31 MARCH 2019 | 31 MARCH 2018 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                    | \$            | \$            | \$            | \$            | \$            |
| Net profit/(loss) after income tax | (9,696,900)   | (6,232,809)   | 787,012       | 906,131       | (434,062)     |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                        | 31 MARCH 2022 | 31 MARCH 2021 | 31 MARCH 2020 | 31 MARCH 2019 | 31 MARCH 2018 |
|----------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Share price at financial year end (\$) | 0.06          | 0.12          | 0.26          | 0.26          | 0.37          |

## Directors' report

Continued

### Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

|                        | BALANCE AT<br>THE START OF<br>THE YEAR | RECEIVED<br>AS PART OF<br>REMUNERATION | ADDITIONS      | SHARES<br>HELD ON<br>APPOINTMENT | BALANCE AT<br>THE END OF<br>THE YEAR |
|------------------------|----------------------------------------|----------------------------------------|----------------|----------------------------------|--------------------------------------|
| <i>Ordinary shares</i> |                                        |                                        |                |                                  |                                      |
| David Christie         | 213,105                                | 367,587                                | 149,174        | –                                | 729,866                              |
| Marcello Diamante      | –                                      | –                                      | –              | 2,807,428                        | 2,807,428                            |
| James Whiteside        | –                                      | –                                      | 227,272        | –                                | 227,272                              |
| Zane Banson            | 444,500                                | –                                      | –              | –                                | 444,500                              |
| Jae Tan                | –                                      | 161,503                                | –              | –                                | 161,503                              |
|                        | <b>657,605</b>                         | <b>529,090</b>                         | <b>376,446</b> | <b>2,807,428</b>                 | <b>4,370,569</b>                     |

#### Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

|                                     | BALANCE AT<br>THE START OF<br>THE YEAR | GRANTED <sup>9</sup> | EXERCISED | EXPIRED/<br>FORFEITED/<br>OTHER | BALANCE AT<br>THE END OF<br>THE YEAR |
|-------------------------------------|----------------------------------------|----------------------|-----------|---------------------------------|--------------------------------------|
| <i>Options over ordinary shares</i> |                                        |                      |           |                                 |                                      |
| David Christie                      | –                                      | 149,174              | –         | –                               | 149,174                              |
| James Whiteside                     | –                                      | 227,272              | –         | –                               | 227,272                              |
| Zane Banson                         | 1,000,000                              | –                    | –         | (500,000)                       | 500,000                              |
|                                     | <b>1,000,000</b>                       | <b>376,446</b>       | <b>–</b>  | <b>(500,000)</b>                | <b>876,446</b>                       |

#### Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

|                                                | BALANCE AT<br>THE START OF<br>THE YEAR | RIGHTS<br>GRANTED AS<br>PART OF<br>REMUNERATION | VESTED   | EXPIRED/<br>FORFEITED/<br>OTHER | BALANCE AT<br>THE END OF<br>THE YEAR |
|------------------------------------------------|----------------------------------------|-------------------------------------------------|----------|---------------------------------|--------------------------------------|
| <i>Performance rights over ordinary shares</i> |                                        |                                                 |          |                                 |                                      |
| James Whiteside                                | –                                      | 1,516,531                                       | –        | –                               | 1,516,531                            |
| Zane Banson                                    | –                                      | 970,580                                         | –        | –                               | 970,580                              |
| Jae Tan                                        | –                                      | 889,698                                         | –        | –                               | 889,698                              |
|                                                | <b>–</b>                               | <b>3,376,809</b>                                | <b>–</b> | <b>–</b>                        | <b>3,376,809</b>                     |

**This concludes the remuneration report, which has been audited.**

9. Options granted to David Christie and James Whiteside were granted as free attaching options to their shares subscribed in their rights issue.

## Directors' report

Continued

### Shares under option

Unissued ordinary shares of Wingara AG Limited under option at the date of this report are as follows:

| GRANT DATE        | EXPIRY DATE      | EXERCISE PRICE | NUMBER UNDER OPTION |
|-------------------|------------------|----------------|---------------------|
| 23 December 2019  | 23 December 2022 | \$0.360        | 750,000             |
| 6 September 2021  | 31 December 2023 | \$0.170        | 2,045,454           |
| 23 September 2021 | 31 December 2023 | \$0.170        | 39,549,324          |
| 4 November 2021   | 31 December 2023 | \$0.170        | 227,272             |
|                   |                  |                | <b>42,572,050</b>   |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Shares under performance rights

Unissued ordinary shares of Wingara AG Limited under performance rights at the date of this report are as follows:

| GRANT DATE      | EXPIRY DATE | EXERCISE PRICE | NUMBER UNDER OPTION |
|-----------------|-------------|----------------|---------------------|
| 1 December 2021 | 31 May 2024 | \$0.000        | 3,816,603           |
|                 |             |                | <b>3,816,603</b>    |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

### Shares issued on the exercise of options

There were no ordinary shares of Wingara AG Limited issued on the exercise of options during the year ended 31 March 2022 and up to the date of this report.

### Shares issued on the exercise of performance rights

There were no ordinary shares of Wingara AG Limited issued on the exercise of performance rights during the year ended 31 March 2022 and up to the date of this report.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Directors' report

Continued

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

### 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.

### Auditor

William Buck continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr David Christie  
Non-Executive Chairman

7 July 2022

# Auditor's independence declaration



## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WINGARA AG LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 31 March 2022 there have been:

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

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

*A. A. Finnis*

**A. A. Finnis**  
 Director

Melbourne, 7 July 2022

### ACCOUNTANTS & ADVISORS

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 (WB015\_2007)



# Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

|                                                                                                              | Note | CONSOLIDATED        |                     |
|--------------------------------------------------------------------------------------------------------------|------|---------------------|---------------------|
|                                                                                                              |      | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <b>Revenue</b>                                                                                               |      |                     |                     |
| Revenue                                                                                                      | 5    | 39,346,244          | 27,608,403          |
| Cost of sales                                                                                                |      | (23,274,441)        | (19,083,062)        |
| <b>Gross profit</b>                                                                                          |      | <b>16,071,803</b>   | <b>8,525,341</b>    |
| Other income                                                                                                 | 6    | 62,619              | 278,049             |
| <b>Expenses</b>                                                                                              |      |                     |                     |
| Corporate, administration and operating expenses                                                             |      | (2,343,957)         | (2,345,793)         |
| Freight expenses                                                                                             |      | (7,793,942)         | (4,199,499)         |
| Employee expenses                                                                                            |      | (3,109,576)         | (2,309,586)         |
| Foreign exchange losses                                                                                      |      | (1,389,863)         | (291,526)           |
| Impairment of receivables                                                                                    |      | (6,320)             | (977,288)           |
| Share based payments                                                                                         |      | (53,849)            | 59,155              |
| Loss on disposal of property, plant and equipment                                                            | 12   | (2,931,870)         | (137,045)           |
| <b>Loss before finance costs, tax and depreciation</b>                                                       |      | <b>(1,494,955)</b>  | <b>(1,398,192)</b>  |
| Depreciation                                                                                                 |      | (1,393,208)         | (1,076,337)         |
| Finance costs                                                                                                | 7    | (1,430,615)         | (1,067,596)         |
| <b>Loss before income tax benefit/(expense) from continuing operations</b>                                   |      | <b>(4,318,778)</b>  | <b>(3,542,125)</b>  |
| Income tax benefit/(expense)                                                                                 | 8    | (1,381,587)         | (215,476)           |
| <b>Loss after income tax benefit/(expense) from continuing operations</b>                                    |      | <b>(5,700,365)</b>  | <b>(3,757,601)</b>  |
| Loss after income tax expense from discontinued operations                                                   | 9a   | (3,996,535)         | (2,475,208)         |
| <b>Loss after income tax benefit/(expense) for the year attributable to the owners of Wingara AG Limited</b> |      | <b>(9,696,900)</b>  | <b>(6,232,809)</b>  |
| Other comprehensive income for the year, net of tax                                                          |      | -                   | -                   |
| <b>Total comprehensive loss for the year attributable to the owners of Wingara AG Limited</b>                |      | <b>(9,696,900)</b>  | <b>(6,232,809)</b>  |
| Total comprehensive loss for the year is attributable to:                                                    |      |                     |                     |
| Continuing operations                                                                                        |      | (5,700,365)         | (3,757,601)         |
| Discontinued operations                                                                                      |      | (3,996,535)         | (2,475,208)         |
|                                                                                                              |      | <b>(9,696,900)</b>  | <b>(6,232,809)</b>  |

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

## Consolidated statement of profit or loss and other comprehensive income

Continued

|                                                                                                              | Note | CONSOLIDATED           |                        |
|--------------------------------------------------------------------------------------------------------------|------|------------------------|------------------------|
|                                                                                                              |      | 31 March 2022<br>Cents | 31 March 2021<br>Cents |
| <b>Loss per share for loss from continuing operations attributable to the owners of Wingara AG Limited</b>   |      |                        |                        |
| Basic loss per share                                                                                         | 30   | (3.68)                 | (3.08)                 |
| Diluted loss per share                                                                                       | 30   | (3.68)                 | (3.08)                 |
| <b>Loss per share for loss from discontinued operations attributable to the owners of Wingara AG Limited</b> |      |                        |                        |
| Basic loss per share                                                                                         | 30   | (2.58)                 | (2.03)                 |
| Diluted loss per share                                                                                       | 30   | (2.58)                 | (2.03)                 |
| <b>Loss per share for loss attributable to the owners of Wingara AG Limited</b>                              |      |                        |                        |
| Basic loss per share                                                                                         | 30   | (6.26)                 | (5.11)                 |
| Diluted loss per share                                                                                       | 30   | (6.26)                 | (5.11)                 |

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

# Consolidated statement of financial position

As at 31 March 2022

| CONSOLIDATED                                                            |      |                     |                     |
|-------------------------------------------------------------------------|------|---------------------|---------------------|
|                                                                         | Note | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <b>Assets</b>                                                           |      |                     |                     |
| <b>Current assets</b>                                                   |      |                     |                     |
| Cash and cash equivalents                                               |      | 1,513,670           | 1,920,453           |
| Trade and other receivables                                             | 10   | 2,796,432           | 3,458,294           |
| Inventories                                                             |      | 1,681,614           | 2,069,511           |
| Other current assets                                                    |      | 249,109             | 639,959             |
|                                                                         |      | <b>6,240,825</b>    | <b>8,088,217</b>    |
| Assets classified as held for sale                                      | 9b   | 20,813,038          | –                   |
| <b>Total current assets</b>                                             |      | <b>27,053,863</b>   | <b>8,088,217</b>    |
| <b>Non-current assets</b>                                               |      |                     |                     |
| Property, plant and equipment                                           | 12   | 13,480,711          | 20,748,188          |
| Right-of-use assets                                                     | 11   | 4,042,997           | 23,241,791          |
| Intangibles                                                             | 13   | 1,816,075           | 1,816,075           |
| Other current assets                                                    |      | 20,585              | 137,686             |
| <b>Total non-current assets</b>                                         |      | <b>19,360,368</b>   | <b>45,943,740</b>   |
| <b>Total assets</b>                                                     |      | <b>46,414,231</b>   | <b>54,031,957</b>   |
| <b>Liabilities</b>                                                      |      |                     |                     |
| <b>Current liabilities</b>                                              |      |                     |                     |
| Trade and other payables                                                | 14   | 5,983,098           | 6,618,405           |
| Borrowings                                                              | 15   | 4,418,500           | 5,606,000           |
| Lease liabilities                                                       | 16   | 949,617             | 1,538,065           |
| Employee benefits                                                       |      | 304,266             | 677,460             |
|                                                                         |      | <b>11,655,481</b>   | <b>14,439,930</b>   |
| Liabilities directly associated with assets classified as held for sale | 9b   | 21,847,161          | –                   |
| <b>Total current liabilities</b>                                        |      | <b>33,502,642</b>   | <b>14,439,930</b>   |
| <b>Non-current liabilities</b>                                          |      |                     |                     |
| Borrowings                                                              | 15   | 1,347,500           | 2,266,000           |
| Lease liabilities                                                       | 16   | 1,825,873           | 22,369,455          |
| Employee benefits                                                       |      | 87,764              | 99,745              |
| <b>Total non-current liabilities</b>                                    |      | <b>3,261,137</b>    | <b>24,735,200</b>   |
| <b>Total liabilities</b>                                                |      | <b>36,763,779</b>   | <b>39,175,130</b>   |
| <b>Net assets</b>                                                       |      | <b>9,650,452</b>    | <b>14,856,827</b>   |
| <b>Equity</b>                                                           |      |                     |                     |
| Issued capital                                                          | 17   | 29,570,874          | 25,029,198          |
| Share-based payment reserves                                            |      | 75,226              | 212,377             |
| Accumulated losses                                                      |      | (19,995,648)        | (10,384,748)        |
| <b>Total equity</b>                                                     |      | <b>9,650,452</b>    | <b>14,856,827</b>   |

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

# Consolidated statement of changes in equity

For the year ended 31 March 2022

| CONSOLIDATED                                                 | CONTRIBUTED EQUITY | SHARE-BASED PAYMENT RESERVES | ACCUMULATED LOSSES  | TOTAL EQUITY      |
|--------------------------------------------------------------|--------------------|------------------------------|---------------------|-------------------|
|                                                              | \$                 | \$                           | \$                  | \$                |
| Balance at 1 April 2020                                      | 20,266,704         | 434,141                      | (4,259,939)         | 16,440,906        |
| Loss after income tax expense for the year                   | -                  | -                            | (6,232,809)         | (6,232,809)       |
| Other comprehensive income for the year, net of tax          | -                  | -                            | -                   | -                 |
| Total comprehensive loss for the year                        | -                  | -                            | (6,232,809)         | (6,232,809)       |
| <i>Transactions with owners in their capacity as owners:</i> |                    |                              |                     |                   |
| Contributions of equity, net of transaction costs (note 17)  | 4,762,494          | -                            | -                   | 4,762,494         |
| Equity settled share-based payments to employees (note 31)   | -                  | 9,000                        | -                   | 9,000             |
| Forfeiture and lapsed options                                | -                  | (230,764)                    | 108,000             | (122,764)         |
| <b>Balance at 31 March 2021</b>                              | <b>25,029,198</b>  | <b>212,377</b>               | <b>(10,384,748)</b> | <b>14,856,827</b> |

| CONSOLIDATED                                                 | CONTRIBUTED EQUITY | SHARE-BASED PAYMENT RESERVES | ACCUMULATED LOSSES  | TOTAL EQUITY     |
|--------------------------------------------------------------|--------------------|------------------------------|---------------------|------------------|
|                                                              | \$                 | \$                           | \$                  | \$               |
| Balance at 1 April 2021                                      | 25,029,198         | 212,377                      | (10,384,748)        | 14,856,827       |
| Loss after income tax benefit for the year                   | -                  | -                            | (9,696,900)         | (9,696,900)      |
| Other comprehensive income for the year, net of tax          | -                  | -                            | -                   | -                |
| Total comprehensive loss for the year                        | -                  | -                            | (9,696,900)         | (9,696,900)      |
| <i>Transactions with owners in their capacity as owners:</i> |                    |                              |                     |                  |
| Contributions of equity, net of transaction costs (note 17)  | 4,436,676          | -                            | -                   | 4,436,676        |
| Equity settled share-based payments to employees (note 31)   | 105,000            | -                            | -                   | 105,000          |
| Forfeited and lapsed options                                 | -                  | (137,151)                    | 86,000              | (51,151)         |
| <b>Balance at 31 March 2022</b>                              | <b>29,570,874</b>  | <b>75,226</b>                | <b>(19,995,648)</b> | <b>9,650,452</b> |

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

# Consolidated statement of cash flows

For the year ended 31 March 2022

|                                                                                 | CONSOLIDATED        |                     |
|---------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                 | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <b>Cashflows from operating activities</b>                                      |                     |                     |
| Receipts from customers                                                         | 38,147,884          | 25,264,413          |
| Payments to suppliers and employees                                             | (35,277,975)        | (24,479,158)        |
| Interest received                                                               | 22                  | 198                 |
| Proceeds from grant income                                                      | -                   | 505,200             |
| Interest and other finance costs paid                                           | (1,230,658)         | (865,296)           |
| Income taxes paid                                                               | 42,655              | (19,701)            |
| Net operating cash generated by continuing operations                           | 1,681,928           | 405,656             |
| Net operating cash generated by/(used in) operations held for sale              | 926,021             | (88,701)            |
| <b>Net cash generated by operating activities (note 29)</b>                     | <b>2,607,949</b>    | <b>316,955</b>      |
| <b>Cashflows from investing activities</b>                                      |                     |                     |
| Payments for plant, equipment, and capital works in progress                    | (1,796,808)         | (2,980,458)         |
| Proceeds from sale of plant and equipment                                       | 215,436             | 32,634              |
| Proceeds from release of security deposits                                      | 117,101             | (117,920)           |
| Net cash used in continuing operations' investing activities                    | (1,464,271)         | (3,065,744)         |
| Net cash used in operations held for sale's investing activities                | (441,060)           | (951,629)           |
| <b>Net cash used in investing activities</b>                                    | <b>(1,905,331)</b>  | <b>(4,017,373)</b>  |
| <b>Cashflows from financing activities</b>                                      |                     |                     |
| Proceeds from issue of shares, net of transaction costs                         | 4,436,673           | 4,722,494           |
| Proceeds from borrowings                                                        | 5,065,133           | 2,000,000           |
| Repayment of borrowings                                                         | (8,643,000)         | (3,914,069)         |
| Settlement of lease obligations                                                 | (1,321,191)         | (1,218,900)         |
| Net cash from continuing operations' financing activities                       | (462,385)           | 1,589,525           |
| Net cash from/(used in) operations held for sale's financing activities         | (533,139)           | 582,238             |
| <b>Net cash from financing activities</b>                                       | <b>(995,524)</b>    | <b>2,171,763</b>    |
| Net decrease in cash and cash equivalents                                       | (292,906)           | (1,528,655)         |
| Cash and cash equivalents at the beginning of the financial year                | 1,920,453           | 3,449,108           |
| Less cash and cash equivalents included in assets held for sale group (note 9b) | (113,877)           | -                   |
| <b>Cash and cash equivalents at the end of the financial year</b>               | <b>1,513,670</b>    | <b>1,920,453</b>    |

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

# Notes to the consolidated financial statements

31 March 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 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 is Suite 11, 13 Church Street Hawthorn VIC Australia 3122.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 May 2022. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This 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.

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

### Going concern

During the year, the Consolidated Entity generated a loss after tax of \$9,696,900 (31 March 2021: \$6,232,809), is reporting a working capital deficiency of \$6,448,779 (31 March 2021: \$6,351,713) and has received net cash inflows from operations of \$2,607,949 (31 March 2021: \$316,955). As at 31 March 2022, the Consolidated Entity (including Austco Polar) had \$1,627,547 in cash (31 March 2021: \$1,920,453) and consolidated net assets of \$9,650,452 (31 March 2021: \$14,856,827).

These factors indicate a material uncertainty which may cast doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The consolidated financial statements have been prepared on a going concern basis which assumes the Group will continue its operations and be able to meet its obligations as and when they become due and payable. This assumption is based on an analysis of the Consolidated Entity's ability to meet its future cash flow requirements using its projected and best estimate cash flows for 12 months past the date of this report.

- Strong cash receipts and operating results from the JC Tanloden business continuing into FY23 following the improvement in financial metrics and production volumes in FY22;
- Strong working capital management in FY22 continuing into FY23;
- The sale of the loss-making non-core asset Austco Polar for a cash consideration of \$1.45m less working capital obligations retained in Wingara. The consideration is expected to be received on 5 August 2022 when completion occurs;
- Utilisation of the Consolidated Entity's existing finance facilities along with compliance to facility covenants; and
- Finance facilities classified as current being extended beyond their contractual maturity dates.

The forecast has been tested for sensitivity to reasonable possible outcomes over the forecast period and for the financial performance and position between 31 March 2022 and the date of signing of this report, with no issues noted.

## Notes to the consolidated financial statements

Continued

In addition, the Board believes it has the ability to raise additional capital (through the placement capacity), and if required will engage with interested parties and shareholders on capital raising efforts at the appropriate time.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### Historical cost convention

The financial statements have been prepared under the historical cost convention.

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 26.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wingara AG Limited ('Company' or 'parent entity') as at 31 March 2022 and the results of all subsidiaries for the year then ended. Wingara AG Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Wingara AG Limited's functional and presentation currency.

## Notes to the consolidated financial statements

Continued

### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Revenue recognition

The Consolidated Entity recognises revenue as follows:

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

#### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

### Cash and cash equivalents

For the purpose of presentation in the statement of cash flows and statement of financial position, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## Notes to the consolidated financial statements

Continued

### Taxes

#### Income tax expense

Current income tax is calculated by applying the statutory tax rate to taxable income. Taxable income is calculated as the accounting profit adjusted for differences in income and expenses where the tax and accounting treatments differ.

Deferred income tax, which is accounted for using the balance sheet method, arises because timing of recognition of accounting income is not always the same as taxable income. This creates temporary differences, which usually reverse over time. Until they reverse, a deferred tax asset or liability must be recognised on the consolidated statement of financial position.

Our income tax expense is the sum of current and deferred income tax expenses. Current income tax expense is calculated on accounting profit after adjusting for non-taxable and non-deductible items based on rules set by the tax authorities.

Deferred income tax expense is calculated at the tax rates that are expected to apply to the period in which the deferred tax asset is realised or the deferred tax liability is settled. Both our current and deferred income tax expenses are calculated using tax rates that have been enacted or substantively enacted at reporting date. Our current and deferred taxes are recognised as an expense in profit or loss, except when they relate to items that are directly recognised in other comprehensive income or equity. In this case, our current and deferred tax expenses are also recognised directly in other comprehensive income or equity.

We generally recognise deferred tax liabilities for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; and
- the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither our accounting profit nor our taxable income at the time of the transaction.

#### Deferred taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carried forward unused tax losses and tax credits, can be utilised. Deferred tax assets and deferred tax liabilities are offset in the consolidated statement of financial position where they relate to income taxes levied by the same taxation authority and to the extent that we intend to settle our current tax assets and liabilities on a net basis. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority. For our investments in controlled entities and associated entities, recognition of deferred tax liabilities is required unless we are able to control the timing of our temporary difference reversal and it is probable that the temporary difference will not reverse.

No deferred tax assets or liabilities have been recognised as the directors have determined it is not probable at this stage that the benefit will flow to the Group.

Unrecognised deferred tax assets and liabilities are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered and deferred tax liabilities to be payable.

#### Other taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Notes to the consolidated financial statements

Continued

### Australian income tax consolidation legislation

Wingara AG Limited and its wholly-owned Australian controlled entities have implemented the tax consolidated legislation as of 1 July 2016. The head entity, Wingara AG Limited and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

**An asset is classified as current when:** it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**A liability is classified as current when:** it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

### Provisions

Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### Employee benefits

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

## Notes to the consolidated financial statements

Continued

### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they occur and consist of interest and other costs that an entity incurs in connection with borrowing of funds, interest expense relating to ROU liabilities or costs associated in managing working capital.

### Inventories

Inventories are stated at fair value. Fair value has been calculated with reference to the market price of hay.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined based on the 5 week VWAP taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

## Notes to the consolidated financial statements

Continued

### Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### Goodwill and other indefinite life intangible assets

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

### Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

No deferred tax assets or liabilities have been recognised as the directors have determined it is not probable at this stage that the benefit will flow to the Group.

### Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Note 4. 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. A broker has been appointed to undertake a structured sale process of the Service Business.

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).

## Notes to the consolidated financial statements

### Continued

The Fodder business operates and resides in Australia, being the only geographical segment and all of the Consolidated assets are held in Australia.

| 31 MARCH 2022                                                    | FODDER<br>BUSINESS         | CORPORATE          | TOTAL              |
|------------------------------------------------------------------|----------------------------|--------------------|--------------------|
|                                                                  | \$                         | \$                 | \$                 |
| <b>Revenue</b>                                                   |                            |                    |                    |
| Segment revenue                                                  | 39,346,244                 | –                  | 39,346,244         |
| <b>Total revenue</b>                                             | <b>39,346,244</b>          | <b>–</b>           | <b>39,346,244</b>  |
| EBITDA                                                           | 1,108,219                  | (2,603,174)        | (1,494,955)        |
| Depreciation and amortisation                                    | (1,333,108)                | (60,100)           | (1,393,208)        |
| Finance costs                                                    | (1,412,756)                | (17,859)           | (1,430,615)        |
| <b>Loss before income tax expense from continuing operations</b> | <b>(1,637,645)</b>         | <b>(2,681,133)</b> | <b>(4,318,778)</b> |
| Income tax expense                                               | 696,834                    | (2,078,421)        | (1,381,587)        |
| <b>Loss after income tax expense from continuing operations</b>  | <b>(940,811)</b>           | <b>(4,759,554)</b> | <b>(5,700,365)</b> |
| <b>Assets</b>                                                    |                            |                    |                    |
| Segment assets                                                   | 11,986,168                 | 13,615,025         | 25,601,193         |
| <b>Liabilities</b>                                               |                            |                    |                    |
| Segment liabilities                                              | 10,328,954                 | 4,587,664          | 14,916,618         |
| <b>CONSOLIDATED – 31 MARCH 2021</b>                              | <b>FODDER<br/>BUSINESS</b> | <b>CORPORATE</b>   | <b>TOTAL</b>       |
|                                                                  | \$                         | \$                 | \$                 |
| <b>Revenue</b>                                                   |                            |                    |                    |
| Segment revenue                                                  | 27,608,403                 | –                  | 27,608,403         |
| <b>Total revenue</b>                                             | <b>27,608,403</b>          | <b>–</b>           | <b>27,608,403</b>  |
| EBITDA                                                           | 1,032,223                  | (2,430,415)        | (1,398,192)        |
| Depreciation and amortisation                                    | (1,021,088)                | (55,249)           | (1,076,337)        |
| Finance costs                                                    | (1,054,209)                | (13,387)           | (1,067,596)        |
| <b>Loss before income tax expense from continuing operations</b> | <b>(1,043,074)</b>         | <b>(2,499,051)</b> | <b>(3,542,125)</b> |
| Income tax expense                                               | (9,379)                    | (206,097)          | (215,476)          |
| <b>Loss after income tax expense from continuing operations</b>  | <b>(1,052,453)</b>         | <b>(2,705,148)</b> | <b>(3,757,601)</b> |
| <b>Assets</b>                                                    |                            |                    |                    |
| Segment assets                                                   | 28,864,320                 | 278,835            | 29,143,155         |
| <b>Liabilities</b>                                               |                            |                    |                    |
| Segment liabilities                                              | 16,207,928                 | 989,428            | 17,197,356         |

### Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Notes to the consolidated financial statements

Continued

### Note 5. Revenue

|                                                             | CONSOLIDATED        |                     |
|-------------------------------------------------------------|---------------------|---------------------|
|                                                             | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Continued operations – goods transferred at a point in time | 39,346,244          | 27,608,403          |
| <b>Total revenue from continued operations</b>              | <b>39,346,244</b>   | <b>27,608,403</b>   |

### Note 6. Other income

|                                                       | CONSOLIDATED        |                     |
|-------------------------------------------------------|---------------------|---------------------|
|                                                       | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Net gain on disposal of property, plant and equipment | 9,115               | –                   |
| Government grants                                     | –                   | 200,000             |
| Other income                                          | 53,483              | 77,862              |
| Interest revenue                                      | 21                  | 187                 |
| <b>Total other income</b>                             | <b>62,619</b>       | <b>278,049</b>      |

#### Accounting Policy for Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### Note 7. Finance costs

|                                              | CONSOLIDATED        |                     |
|----------------------------------------------|---------------------|---------------------|
|                                              | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Bank fees                                    | 391,969             | 153,043             |
| Interest on borrowings                       | 259,821             | 292,725             |
| Interest on lease liabilities <sup>(i)</sup> | 62,639              | 19,081              |
| Inventory management fees <sup>(ii)</sup>    | 716,186             | 602,747             |
| <b>Total finance costs</b>                   | <b>1,430,615</b>    | <b>1,067,596</b>    |

(i) Lease payments are apportioned between finance charges and reduction on the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

(ii) Inventory management fees relate to costs payable to suppliers who provide hay storage facilities in order for the company to manage its working capital requirements.

## Notes to the consolidated financial statements

Continued

### Note 8. Income tax expense/(benefit)

|                                                                                      | CONSOLIDATED        |                     |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                      | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Income tax benefit</i>                                                            |                     |                     |
| Current tax                                                                          | (2,484,768)         | (1,929,674)         |
| Adjustment recognised for prior periods                                              | (64,526)            | (440,587)           |
| Deferred tax expense (income)                                                        | 2,888,911           | 2,487,870           |
| Change in tax rate                                                                   | (382,272)           | 111,327             |
| <b>Aggregate income tax expense/(benefit)</b>                                        | <b>(42,655)</b>     | <b>228,936</b>      |
| Income tax benefit is attributable to:                                               |                     |                     |
| Loss from continuing operations                                                      | 1,381,587           | 215,476             |
| Loss from discontinued operations                                                    | (1,424,242)         | 13,460              |
| <b>Aggregate income tax expense/(benefit)</b>                                        | <b>(42,655)</b>     | <b>228,936</b>      |
| <i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>  |                     |                     |
| Loss before income tax expense from continuing operations                            | (4,318,778)         | (3,542,125)         |
| Loss before income tax expense from discontinued operations                          | (5,420,777)         | (2,461,748)         |
| <b>Total loss before income tax expense</b>                                          | <b>(9,739,555)</b>  | <b>(6,003,873)</b>  |
| Tax at the statutory tax rate of 26% (2021: 26%)                                     | (2,532,284)         | (1,561,007)         |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                     |                     |
| Bank revaluations                                                                    | –                   | 75,797              |
| ATO cash flow boost                                                                  | –                   | (52,000)            |
| Derecognition of DTA on legal fees as part of prior year sale                        | –                   | 61,164              |
| Change in tax rate to 30% (2021: 26%)                                                | (382,272)           | 111,327             |
| Other items                                                                          | –                   | (15,590)            |
| Impairment of prior year DTA                                                         | –                   | 402,617             |
| Current year tax losses not recognised                                               | 2,974,371           | 1,323,197           |
| Deferred taxes not recognised                                                        | (37,944)            | –                   |
|                                                                                      | 21,871              | 345,505             |
| Adjustment recognised for prior periods                                              | (64,526)            | (440,587)           |
| <b>Income tax benefit</b>                                                            | <b>(42,655)</b>     | <b>(95,082)</b>     |

The Consolidated Entity has unused tax losses of \$17,981,740 (2021: \$8,424,939). The unused tax losses whilst have been incurred, have not been recognised by the Consolidated Entity as the directors have determined it is not probable at this stage the benefit will flow to the Consolidated Entity to recognise the deferred tax asset as at 31 March 2022. The unrecognised tax losses can be carried forward indefinitely, subject to meeting the continuity of ownership or same business test.

## Notes to the consolidated financial statements

Continued

### Note 9. Operations held for sale

On 24 August 2021, the Consolidated Entity announced that Austco Polar, its Service Business operating segment, is non-core to the Consolidated Entity's future growth strategy given the substantial growth opportunities available through its Fodder Business. A broker has been appointed to undertake a structured sale process of the Service Business.

#### Financial performance of operations held for sale

##### (a) Statement of profit or loss for operations held for sale

|                                                                   | CONSOLIDATED        |                     |
|-------------------------------------------------------------------|---------------------|---------------------|
|                                                                   | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Revenue                                                           | 10,717,974          | 10,401,008          |
| Cost of sales                                                     | (6,993,085)         | (6,399,335)         |
| Other income                                                      | 9,269               | 401,817             |
| Corporate, administration and operating expenses                  | (2,195,123)         | (1,871,811)         |
| Employee expenses                                                 | (613,313)           | (706,429)           |
| Freight expenses                                                  | (479,499)           | (598,026)           |
| Loss on disposal of property, plant and equipment                 | (2,559,340)         | (358,531)           |
| Depreciation expense                                              | (1,838,950)         | (1,822,576)         |
| Finance costs                                                     | (1,468,710)         | (1,507,865)         |
| <b>Total other expenses (net of other income)</b>                 | <b>(9,145,666)</b>  | <b>(6,463,421)</b>  |
| Loss before income tax expense                                    | (5,420,777)         | (2,461,748)         |
| Income tax (expense)/benefit                                      | 1,424,242           | (13,460)            |
| <b>Loss after income tax expense from discontinued operations</b> | <b>(3,996,535)</b>  | <b>(2,475,208)</b>  |

##### (b) Net assets of operations held for sale

|                               | CONSOLIDATED        |                     |
|-------------------------------|---------------------|---------------------|
|                               | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Cash and cash equivalents     | 113,877             | -                   |
| Trade and other receivables   | 631,614             | -                   |
| Other current assets          | 290,920             | -                   |
| Property, plant and equipment | 2,630,459           | -                   |
| Right-of-use assets           | 17,146,168          | -                   |
| <b>Total assets</b>           | <b>20,813,038</b>   | <b>-</b>            |
| Trade and other payables      | 1,932,329           | -                   |
| Employee entitlements         | 508,344             | -                   |
| Lease liabilities             | 19,406,488          | -                   |
| <b>Total liabilities</b>      | <b>21,847,161</b>   | <b>-</b>            |
| <b>Net assets</b>             | <b>(1,034,123)</b>  | <b>-</b>            |

## Notes to the consolidated financial statements

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.

### Accounting policy for discontinued operations

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

### Note 10. Trade and other receivables

| CONSOLIDATED      |                     |                     |
|-------------------|---------------------|---------------------|
|                   | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Current assets    |                     |                     |
| Trade receivables | 2,796,432           | 3,458,294           |

### Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| CONSOLIDATED                   |                     |                     |
|--------------------------------|---------------------|---------------------|
|                                | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| 0 to 3 months overdue          | 2,785,300           | 3,421,050           |
| 3 to 6 months overdue          | –                   | –                   |
| Over 6 months overdue          | 11,132              | 37,244              |
| <b>Total trade receivables</b> | <b>2,796,432</b>    | <b>3,458,294</b>    |

### Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 to 60 days.

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

With the one-off exception in the 2021 financial year, bad and doubtful debts are rare for the Consolidated Entity. Any provision for expected credit losses would have an immaterial impact on the financial statements.

## Notes to the consolidated financial statements

Continued

### Note 11. Right-of-use assets

|                                               | CONSOLIDATED        |                     |
|-----------------------------------------------|---------------------|---------------------|
|                                               | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Non-current assets</i>                     |                     |                     |
| Land and buildings – right-of-use             | 1,081,520           | 21,745,623          |
| Less: Accumulated depreciation                | (340,379)           | (2,474,633)         |
| <b>Net land and buildings – right-of-use</b>  | <b>741,141</b>      | <b>19,270,990</b>   |
| Plant and equipment – right-of-use            | 4,398,937           | 4,665,817           |
| Less: Accumulated depreciation                | (1,140,184)         | (894,137)           |
| <b>Net plant and equipment – right-of-use</b> | <b>3,258,753</b>    | <b>3,771,680</b>    |
| Motor vehicles – right-of-use                 | 51,742              | 289,635             |
| Less: Accumulated depreciation                | (8,639)             | (90,514)            |
| <b>Net motor vehicles – right-of-use</b>      | <b>43,103</b>       | <b>199,121</b>      |
| <b>Total net right-of-use assets</b>          | <b>4,042,997</b>    | <b>23,241,791</b>   |

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

|                                 | LAND AND<br>BUILDINGS | PLANT AND<br>EQUIPMENT | MOTOR<br>VEHICLES | TOTAL            |
|---------------------------------|-----------------------|------------------------|-------------------|------------------|
|                                 | \$                    | \$                     | \$                | \$               |
| <b>Consolidated</b>             |                       |                        |                   |                  |
| Balance at 1 April 2021         | 19,270,990            | 3,771,680              | 199,121           | 23,241,791       |
| Additions                       | -                     | -                      | -                 | -                |
| Classified as held for sale     | (17,726,493)          | (231,578)              | -                 | (17,958,071)     |
| Disposals                       | -                     | -                      | (142,945)         | (142,945)        |
| Impairment                      | -                     | -                      | -                 | -                |
| Depreciation expense            | (803,356)             | (281,349)              | (13,073)          | (1,097,778)      |
| <b>Balance at 31 March 2022</b> | <b>741,141</b>        | <b>3,258,753</b>       | <b>43,103</b>     | <b>4,042,997</b> |

### Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Notes to the consolidated financial statements

Continued

### Note 12. Property, plant and equipment

|                                            | CONSOLIDATED        |                     |
|--------------------------------------------|---------------------|---------------------|
|                                            | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Property, plant and equipment              | 13,149,529          | 18,143,022          |
| Capital work-in-progress                   | 331,182             | 2,605,166           |
| <b>Total property, plant and equipment</b> | <b>13,480,711</b>   | <b>20,748,188</b>   |

|                                                | CONSOLIDATED        |                     |
|------------------------------------------------|---------------------|---------------------|
|                                                | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Non-current assets</i>                      |                     |                     |
| Freehold land and buildings                    | 11,215,050          | 11,656,902          |
| Less: Accumulated Depreciation                 | (835,610)           | (575,975)           |
| <b>Net Freehold land and buildings</b>         | <b>10,379,440</b>   | <b>11,080,927</b>   |
| Plant and equipment                            | 2,541,529           | 7,372,142           |
| Less: Accumulated depreciation                 | (369,469)           | (1,226,845)         |
| <b>Net plant and equipment</b>                 | <b>2,172,060</b>    | <b>6,145,297</b>    |
| Fixtures and fittings                          | 121,934             | 456,063             |
| Less: Accumulated depreciation                 | (55,647)            | (130,905)           |
| <b>Net fixtures and fittings</b>               | <b>66,287</b>       | <b>325,158</b>      |
| Machinery and vehicles                         | 151,047             | 321,664             |
| Less: Accumulated depreciation                 | (105,770)           | (191,669)           |
| <b>Net machinery and vehicles</b>              | <b>45,277</b>       | <b>129,995</b>      |
| Spare parts and software/IT                    | 972,582             | 908,155             |
| Less: Accumulated depreciation                 | (486,117)           | (446,510)           |
| <b>Net spare parts and software/IT</b>         | <b>486,465</b>      | <b>461,645</b>      |
| <b>Capital work-in-progress</b>                | <b>331,182</b>      | <b>2,605,166</b>    |
| <b>Total net property, plant and equipment</b> | <b>13,480,711</b>   | <b>20,748,188</b>   |

## Notes to the consolidated financial statements

Continued

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| CONSOLIDATED                             | FREEHOLD<br>LAND AND<br>BUILDINGS | PLANT AND<br>EQUIPMENT | FIXTURES<br>AND FITTINGS | MACHINERY<br>AND<br>VEHICLES | SPARE<br>PARTS AND<br>SOFTWARE/<br>IT | CAPITAL<br>WORK-IN-<br>PROGRESS | TOTAL             |
|------------------------------------------|-----------------------------------|------------------------|--------------------------|------------------------------|---------------------------------------|---------------------------------|-------------------|
|                                          | \$                                | \$                     | \$                       | \$                           | \$                                    | \$                              | \$                |
| Balance at<br>1 April 2021               | 11,080,927                        | 6,145,297              | 325,158                  | 129,995                      | 461,645                               | 2,605,166                       | 20,748,188        |
| Additions                                | 83,100                            | 951,768                | 7,469                    | –                            | 307,873                               | 608,223                         | 1,958,433         |
| Classified as<br>held for sale           | (321,507)                         | (4,239,954)            | (239,778)                | –                            | (134,692)                             | (252,695)                       | (5,188,626)       |
| Disposal of<br>fixed assets <sup>^</sup> | (173,156)                         | (2,484,466)            | (1,891)                  | (66,320)                     | –                                     | (269,413)                       | (2,995,246)       |
| Transfers<br>In/(Out)                    | –                                 | 2,360,099              | –                        | –                            | –                                     | (2,360,099)                     | –                 |
| Depreciation<br>expense                  | (289,924)                         | (560,684)              | (24,671)                 | (18,398)                     | (148,361)                             | –                               | (1,042,038)       |
| <b>Balance at<br/>31 March 2022</b>      | <b>10,379,440</b>                 | <b>2,172,060</b>       | <b>66,287</b>            | <b>45,277</b>                | <b>486,465</b>                        | <b>331,182</b>                  | <b>13,480,711</b> |

<sup>^</sup> During the financial year 2022, one-off disposals of property, plant and equipment of \$5,491,210 was charged to statement of profit or loss and other comprehensive income (\$2,931,870 relating to continuing operations and \$2,559,340 relating to discontinued operations).

### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition and commissioning of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                                   |              |
|-----------------------------------|--------------|
| Buildings                         | 40 years     |
| Plant and equipment               | 2 – 20 years |
| Furniture, fittings and equipment | 2 – 20 years |
| Motor vehicles                    | 5 – 7 years  |
| Others                            | 1 – 20 years |

## Notes to the consolidated financial statements

Continued

Land is not depreciated because land is assumed to have an unlimited useful life.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Consolidated Entity's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Where property, plant and equipment is still in construction and considered capital work-in-progress, the asset will be carried on the balance sheet and will begin depreciation once its useful life begins.

### Note 13. Intangibles

|                           | CONSOLIDATED        |                     |
|---------------------------|---------------------|---------------------|
|                           | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Non-current assets</i> |                     |                     |
| Goodwill – at cost        | 31,711              | 31,711              |
| Export license – at cost  | 1,784,364           | 1,784,364           |
| <b>Total intangibles</b>  | <b>1,816,075</b>    | <b>1,816,075</b>    |

#### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### Trademarks and licenses

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life as they can be renewed for only a trivial amount at expiry of licence period without incurring significant costs and time and are subsequently carried at cost less accumulated amortisation and impairment losses. These assets with indefinite useful life are tested for impairment on an annual basis.

## Notes to the consolidated financial statements

Continued

### (i) Impairment tests for goodwill & export license for JC Tanloden CGU

The following key assumptions were used in the discounted cash flow model: (a) 11.01% post-tax discount rate (2021: 12.77%); (b) board approved budget for year 1 and then 10.00% per annum projected EBITDA growth rate for years 2 to 5 (2021: revenue growth rate of 5%); and (c) 1.50% per annum terminal value growth rate (2021: 2.50%).

- The post-tax discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying asset that have not be incorporated in the cash flows model. The discount rate calculation is based on the specific circumstances of the CGU, and is derived from its weighted average cost of capital ('WACC'). The WACC includes both cost of debt and equity. The cost of debt is based on the interest-bearing borrowings the CGU is obliged to service. The cost of equity is based on the expected return on investment by the Company's shareholders. In calculation of the cost of equity, management has accounted for the segment-specific risk by applying the beta factor, which is publicly available market data.
- The projected first year of cash flows is derived from the current year cash flow forecast based off a Board approved budget.
- EBITDA growth rate of 10.00% in years 2 to 5 is derived based on a combination of historical performance references, market outlooks and current expansion and development plans of the business.
- The estimated terminal value growth rate was set at 1.5% (2021: 2.5%).

There were no other key assumptions.

### (ii) Sensitivity

As at 31 March 2022, management has identified that for the carrying amount to exceed the recoverable amount:

- the discount rate would need to increase to 15.5%; or
- EBITDA would need to decline by 5.3% in the cash flows of the first five years.

## Note 14. Trade and other payables

|                                       | CONSOLIDATED        |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Current liabilities</i>            |                     |                     |
| Trade payables                        | 4,559,970           | 5,378,075           |
| Statutory payables                    | 262,162             | 310,171             |
| Other payables                        | 1,160,966           | 930,159             |
| <b>Total trade and other payables</b> | <b>5,983,098</b>    | <b>6,618,405</b>    |

Refer to note 19 for further information on financial instruments.

### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## Notes to the consolidated financial statements

Continued

### Note 15. Borrowings

|                                 | CONSOLIDATED        |                     |
|---------------------------------|---------------------|---------------------|
|                                 | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Current liabilities</i>      |                     |                     |
| Commercial facilities           | 918,500             | 1,086,000           |
| Revolving loan facility         | 3,500,000           | 4,520,000           |
| <b>Total current borrowings</b> | <b>4,418,500</b>    | <b>5,606,000</b>    |
| <i>Non-current liabilities</i>  |                     |                     |
| Commercial facilities           | 1,347,500           | 2,266,000           |
| <b>Total borrowings</b>         | <b>5,766,000</b>    | <b>7,872,000</b>    |

Refer to note 19 for further information on financial instruments.

#### Total secured liabilities

Westpac tailored commercial facility with a fully drawn down limit of \$436,000 (31 March 2021: \$1,402,000). The facility is subject to BBSY rate plus a margin of 1.55% (31 March 2021: 1.72%) per annum and line fee of 2.00% (31 March 2021: 1.00%) per annum. The term of the facility is four (4) years from date of inception expiring on 12 February 2024. Interest and principal are paid on a monthly basis, the principal being settled in an amount of \$80,500 per month from November 2022 until the loan is repaid. The balance of \$436,000 is expected to be repaid within 12 months and therefore classified as a current liability.

Westpac tailored commercial facility with a fully drawn down limit of \$1,830,000 (31 March 2021: \$1,950,000). The facility is subject to BBSY rate plus a margin of 1.55% (31 March 2021: 1.67%) per annum and line fee of 2.00% (31 March 2021: 1.00%) per annum. The term of this facility is four (4) years from date of inception expiring on 28 October 2024. Interest and principal are paid on a monthly basis, the principal being settled in an amount of \$90,500 per month from November 2022.

Revolving loan facility with a partially drawn down limit of \$5,000,000 (31 March 2021: \$5,000,000) drawn down to \$3,500,000. This facility is subject to BBSY rate plus a margin of 1.12% (31 March 2021: 1.42%) per annum and a line fee of 2.00% (31 March 2021: 1.00%) per annum. During the half year, this facility's maturity date was extended from 12 July 2021 to 31 December 2022, with a term of 19 months from inception. Therefore, the entire outstanding balance has been classified as a current liability at 31 March 2022. Monthly payments consist of interest and fees only, the outstanding unpaid principal due for settlement on expiry of the term of the facility.

#### Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

#### Assets pledged as security

The commercial bill and loan are secured by machinery and equipment owned by the Consolidated Entity.

#### Bank overdraft facility

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

## Notes to the consolidated financial statements

Continued

### Note 16. Lease liabilities

|                                | CONSOLIDATED        |                     |
|--------------------------------|---------------------|---------------------|
|                                | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Current liabilities</i>     |                     |                     |
| Lease liability                | 949,617             | 1,538,065           |
| <i>Non-current liabilities</i> |                     |                     |
| Lease liability                | 1,825,873           | 22,369,455          |
| <b>Total lease liabilities</b> | <b>2,775,490</b>    | <b>23,907,520</b>   |

Refer to note 19 for further information on financial instruments.

#### Accounting policy for lease liabilities

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Consolidated Entity. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Consolidated Entity leases land and buildings for its offices and warehouses under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Consolidated Entity also leases motor vehicles under agreements of five years.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Consolidated Entity's incremental borrowing rate.

### Note 17. Issued capital

|                              | CONSOLIDATED            |                         |                     |                     |
|------------------------------|-------------------------|-------------------------|---------------------|---------------------|
|                              | 31 March 2022<br>Shares | 31 March 2021<br>Shares | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Ordinary shares – fully paid | 175,542,504             | 132,782,273             | 29,570,874          | 25,029,198          |

## Notes to the consolidated financial statements

Continued

### Movements in ordinary share capital

#### 31 March 2022

| DETAILS                                               | DATE                 | SHARES             | ISSUE PRICE | \$                |
|-------------------------------------------------------|----------------------|--------------------|-------------|-------------------|
| Balance                                               | 1 April 2021         | 132,782,273        | –           | 25,029,198        |
| Issue of shares to institutional investors            | 6 September 2021     | 2,045,454          | \$0.110     | 225,000           |
| Issue of shares to employees                          | 21 September 2021    | 938,181            | \$0.110     | 105,000           |
| Issue of shares to institutional and retail investors | 23 September 2021    | 39,549,324         | \$0.110     | 4,350,626         |
| Issue of shares to institutional and retail investors | 4 November 2021      | 227,272            | \$0.110     | 25,000            |
| Less capital raising costs                            |                      | –                  | –           | (163,950)         |
| <b>Balance</b>                                        | <b>31 March 2022</b> | <b>175,542,504</b> |             | <b>29,570,874</b> |

#### 31 March 2021

| DETAILS                                     | DATE                 | SHARES             | ISSUE PRICE | \$                |
|---------------------------------------------|----------------------|--------------------|-------------|-------------------|
| Balance                                     | 1 April 2020         | 106,055,335        | –           | 20,266,704        |
| Placement                                   | 24 August 2020       | 26,513,833         | \$0.190     | 5,037,628         |
| Issue of shares under Employee Share Scheme | 19 February 2021     | 213,105            | \$0.188     | 40,000            |
| Less capital raising costs                  |                      | –                  | –           | (315,134)         |
| <b>Balance</b>                              | <b>31 March 2021</b> | <b>132,782,273</b> |             | <b>25,029,198</b> |

On 6 September 2021, 23 September 2021 and 4 November 2021, the Consolidated Entity issued respectively 2,045,454, 39,549,324 and 227,272 free attaching options over fully paid ordinary shares with an exercise price of \$0.17 (17 cents) per fully paid ordinary share, expiring on 31 December 2023, to participants in the respective share issues of said dates.

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. It is also to maintain an optimal mix between debt and equity to minimise the cost of capital.

In order to achieve this objective, the Consolidated Entity seeks to maintain adequate levels of external borrowings from reputable financial institutions and further contribution of shareholders through capital raising to enable the Consolidated Entity to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, management considers various alternatives from issue of new equity/debt instruments such as shares or options, convertible notes to extending the current debt facility.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

## Notes to the consolidated financial statements

Continued

Consistent with others in the industry, the Consolidated Entity monitors capital on the basis of the following gearing ratios:

- net debt to equity ratio, being total liabilities divided by total equity at market value; and
- borrowings to equity ratio, being total borrowings divided by total equity at market value.

Total equity at market value represents total fully paid ordinary shares at market value less other reserves and accumulated losses.

The capital risk management policy remains unchanged from the 2021 Annual Report.

### Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Note 18. Dividends

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

### Note 19. Financial instruments

#### Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, commodity price risk and interest rate risk), credit risk and liquidity risk. The key financial instruments impacted include cash and cash equivalents, receivables, other financial assets, trade and other trade payables and borrowings.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Consolidated Entity's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

#### Market risk

##### Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in US dollars (US\$) and is exposed to foreign currency risk through foreign exchange rate fluctuations. As at 31 March 2022, the Consolidated Entity held \$2,641,430 (2021: \$2,688,360) worth of trade receivables and cash at bank of \$264,148 (2021: \$222,629) that were denominated in US\$.

Based on this exposure, the following sensitivity analysis has been performed. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

| CONSOLIDATED – 31 MARCH 2022   |          | AUD STRENGTHENED            |                  |          | AUD WEAKENED                |                  |
|--------------------------------|----------|-----------------------------|------------------|----------|-----------------------------|------------------|
|                                | % change | Effect on profit before tax | Effect on equity | % change | Effect on profit before tax | Effect on equity |
| Trade receivables – US dollars | 10%      | (240,130)                   | (240,130)        | (10%)    | 293,492                     | 293,492          |
| Cash at bank – US dollars      | 10%      | (24,013)                    | (24,013)         | (10%)    | 29,350                      | 29,350           |

| CONSOLIDATED – 31 MARCH 2021   |           | AUD STRENGTHENED            |                  |           | AUD WEAKENED                |                  |
|--------------------------------|-----------|-----------------------------|------------------|-----------|-----------------------------|------------------|
|                                | \$ change | Effect on profit before tax | Effect on equity | \$ change | Effect on profit before tax | Effect on equity |
| Trade receivables – US dollars | 10%       | (268,836)                   | (268,836)        | (10%)     | 268,836                     | 268,836          |
| Cash at bank – US dollars      | 10%       | (22,263)                    | (22,263)         | (10%)     | 22,263                      | 22,263           |

## Notes to the consolidated financial statements

### Continued

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity makes use of derivative financial instruments to hedge foreign exchange risk by engaging in forward foreign exchange contracts to mitigate the impact of foreign exchange rate fluctuations. The company follows a formal foreign exchange risk management framework and policy.

### Commodity price risk

The Consolidated Entity is affected by the price volatility of hay which is a type of commodity. Its operating activities require the ongoing trading of hay and therefore require a continuous supply of hay. Due to the nature of the commodity being significantly seasonal, the Consolidated Entity mitigates the risk of hay price fluctuating unfavourably by working closely with its suppliers to forecast supply volume in upcoming season, along with customer demands.

Based on this assessment, management adjusts its level of purchase and storage to maintain a reasonable level of inventory in stock to meet with future demands and avoid any potential shortage due to bad weather. Prices paid to suppliers for inventory are fixed for the life of the contract and re-negotiated once the contract has finished. Contracts signed with customers are re-negotiated at every new hay season to reflect the fluctuation on the hay price and thus the price risk is passed on to customers.

### Interest rate risk

The Consolidated Entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Consolidated Entity to interest rate risk.

The Consolidated Entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Consolidated Entity works closely with reputable financial institutions to achieve the most optimal facilities available on the market which can be used to fund the Consolidated Entity's operations at an affordable cost of debt.

As at 31 March 2022, the Consolidated Entity held \$5,766,000 in variable rate borrowings (2021: \$7,872,000). Should the market interest rates fluctuate by 50 basis points, the impact to the Consolidated Entity's profit or loss is approximately \$28,830 (2021: \$39,360).

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity manages credit risk and the losses which could arise from default by ensuring that financial assets such as cash at bank are held with reputable organisations. Management monitors the approval of new credit limit and collection process.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The credit quality of financial assets that are neither past due nor impaired can be assessed by the Consolidated Entity's senior management having continuous discussion with counter parties to thoroughly assess their financial position and ability to make repayment

### Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Liquidity risk arises from the Consolidated Entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Consolidated Entity may encounter difficulty in meeting its financial obligations as they fall due. Depending on the facility type, the debt covenant requires the Consolidated Entity to make a pre-determined amount of payment towards interest and principal each month or each quarter.

The Consolidated Entity monitors the liquidity ratio on a monthly basis and seeks to maintain sufficient cash balances (or agreed facilities) to meet all current obligations which are due within the next 12 months.

## Notes to the consolidated financial statements

Continued

### Financing arrangements

Unused borrowing facilities at the reporting date:

|                                | CONSOLIDATED        |                     |
|--------------------------------|---------------------|---------------------|
|                                | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Overdraft                      | 600,000             | 600,000             |
| Bank guarantee                 | -                   | -                   |
| Corporate card                 | 35,000              | 80,000              |
| Revolving loan facility        | 1,500,000           | 480,000             |
| <b>Total unused borrowings</b> | <b>2,135,000</b>    | <b>1,160,000</b>    |

As at 31 March 2022, the Consolidated Entity has issued guarantees of \$1,979,000 (31 March 2021: \$1,940,000).

### Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| CONSOLIDATED – 31 MARCH 2022       | 1 MONTH<br>OR LESS | BETWEEN<br>1 TO 6<br>MONTHS | BETWEEN<br>6 TO 12<br>MONTHS | OVER<br>1 YEAR    | REMAINING<br>CONTRACTUAL<br>MATURITIES |
|------------------------------------|--------------------|-----------------------------|------------------------------|-------------------|----------------------------------------|
|                                    | \$                 | \$                          | \$                           | \$                | \$                                     |
| <b>Non-derivatives</b>             |                    |                             |                              |                   |                                        |
| <i>Non-interest bearing</i>        |                    |                             |                              |                   |                                        |
| Trade payables                     | 5,496,535          | 309,743                     | -                            | 98,188            | 5,904,466                              |
| Other payables                     | 1,946,650          | 64,311                      | -                            | -                 | 2,010,961                              |
| <i>Interest-bearing – variable</i> |                    |                             |                              |                   |                                        |
| Lease liability                    | 259,768            | 1,310,049                   | 1,562,067                    | 29,738,102        | 32,869,986                             |
| Borrowings                         | -                  | 181,000                     | 4,237,500                    | 1,347,500         | 5,766,000                              |
| <b>Total non-derivatives</b>       | <b>7,702,953</b>   | <b>1,865,103</b>            | <b>5,799,567</b>             | <b>31,183,790</b> | <b>46,551,413</b>                      |

| CONSOLIDATED – 31 MARCH 2021       | 1 MONTH<br>OR LESS | BETWEEN<br>1 TO 6<br>MONTHS | BETWEEN<br>6 TO 12<br>MONTHS | OVER<br>1 YEAR    | REMAINING<br>CONTRACTUAL<br>MATURITIES |
|------------------------------------|--------------------|-----------------------------|------------------------------|-------------------|----------------------------------------|
|                                    | \$                 | \$                          | \$                           | \$                | \$                                     |
| <b>Non-derivatives</b>             |                    |                             |                              |                   |                                        |
| <i>Non-interest bearing</i>        |                    |                             |                              |                   |                                        |
| Trade payables                     | 4,804,750          | 573,325                     | -                            | -                 | 5,378,075                              |
| Other payables                     | 752,230            | 488,100                     | -                            | -                 | 1,240,330                              |
| <i>Interest-bearing – variable</i> |                    |                             |                              |                   |                                        |
| Lease liability                    | 258,607            | 1,303,866                   | 1,584,707                    | 33,033,164        | 36,180,344                             |
| Borrowings                         | 90,500             | 452,500                     | 5,063,000                    | 2,266,000         | 7,872,000                              |
| <b>Total non-derivatives</b>       | <b>5,906,087</b>   | <b>2,817,791</b>            | <b>6,647,707</b>             | <b>35,299,164</b> | <b>50,670,749</b>                      |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Notes to the consolidated financial statements

Continued

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### Note 20. Fair value measurement

#### Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, 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.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### Note 21. Key management personnel disclosures

#### Directors

The following persons were directors of Wingara AG Limited during the financial year:

|                        |                                                      |
|------------------------|------------------------------------------------------|
| – Mr David Christie    | Non-Executive Chairman                               |
| – Mr Jeral D'Souza     | Non-Executive Director (resigned 21 October 2021)    |
| – Mr Steven Chaur      | Non-Executive Director (resigned 1 April 2022)       |
| – Mr Brendan York      | Non-Executive Director (appointed 23 September 2021) |
| – Mr Marcello Diamante | Non-Executive Director (appointed 1 April 2022)      |

#### Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

|                      |                                                  |
|----------------------|--------------------------------------------------|
| – Mr James Whiteside | Chief Executive Officer (appointed 1 July 2021)  |
| – Mr Jae Tan         | Chief Financial Officer (appointed 19 July 2021) |
| – Mr Zane Banson     | Chief Commercial Officer                         |

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

|                              | CONSOLIDATED        |                     |
|------------------------------|---------------------|---------------------|
|                              | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Short-term employee benefits | 849,534             | 862,775             |
| Post-employment benefits     | 82,683              | 74,344              |
| Termination benefits         | –                   | 146,538             |
| Share-based payments         | 60,000              | 40,000              |
| <b>Total compensation</b>    | <b>992,217</b>      | <b>1,123,657</b>    |

## Notes to the consolidated financial statements

Continued

### Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

|                                             | CONSOLIDATED        |                     |
|---------------------------------------------|---------------------|---------------------|
|                                             | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Audit services – William Buck               |                     |                     |
| Audit or review of the financial statements | 75,024              | 73,470              |
| Other services – William Buck               |                     |                     |
| Other assurance services                    | 1,375               | 1,000               |
| <b>Total remuneration of auditors</b>       | <b>76,399</b>       | <b>74,470</b>       |

### Note 23. Contingent liabilities

The Consolidated Entity had no contingent liabilities at 31 March 2022 (2021: nil).

### Note 24. Commitments

The Consolidated Entity had \$180,000 of capital commitments as at 31 March 2022 (2021: Nil). These relate to the purchase of plant machinery for the JC Tanloden business.

### Note 25. Related party transactions

#### Parent entity

Wingara AG Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 27.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 21 and the remuneration report included in the directors' report.

#### Transactions with related parties

The following transactions occurred with related parties:

|                              | CONSOLIDATED        |                     |
|------------------------------|---------------------|---------------------|
|                              | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Other transactions:          |                     |                     |
| Shares issued to directors*  | 41,409              | –                   |
| Other transactions:          |                     |                     |
| Shares issued to directors** | 40,000              | 40,000              |

\* On 23 September 2021, David Christie and James Whiteside participated in the Entitlement Offer and as a result, 149,174 unquoted options were issued to David Christie and 227,272 unquoted options were issued to James Whiteside, with an expiry date of 31 December 2023 and an exercise price of \$0.17 (17 cents) per fully paid ordinary share.

\*\* During the financial year, the Company issued 367,587 (2021: 213,105) fully paid ordinary to David Christie as part of the Company's Employee Share Scheme.

## Notes to the consolidated financial statements

Continued

### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

|                                 | PARENT              |                     |
|---------------------------------|---------------------|---------------------|
|                                 | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Loss after income tax           | (4,759,554)         | (2,705,147)         |
| <b>Total comprehensive loss</b> | <b>(4,759,554)</b>  | <b>(2,705,147)</b>  |

### Statement of financial position

|                           | PARENT              |                     |
|---------------------------|---------------------|---------------------|
|                           | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Total current assets      | 1,525,614           | 1,773,295           |
| Total assets              | 13,615,025          | 13,991,617          |
| Total current liabilities | 4,570,101           | 4,629,157           |
| Total liabilities         | 4,587,664           | 4,695,227           |
| Equity                    |                     |                     |
| Issued capital            | 29,570,874          | 25,029,198          |
| Options reserve           | 75,226              | 212,377             |
| Accumulated losses        | (20,618,739)        | (15,945,185)        |
| <b>Total equity</b>       | <b>9,027,361</b>    | <b>9,296,390</b>    |

## Notes to the consolidated financial statements

Continued

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent entity, Wingara AG Limited provides corporate guarantees to its subsidiaries as at 31 March 2022 and 31 March 2021.

### Contingent liabilities

The parent entity had no contingent liabilities as at 31 March 2022 (31 March 2021: nil).

### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments as at 31 March 2022 (31 March 2021: nil).

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

### Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name                              | Principal place of business/<br>country of incorporation | OWNERSHIP INTEREST |                    |
|-----------------------------------|----------------------------------------------------------|--------------------|--------------------|
|                                   |                                                          | 31 March 2022<br>% | 31 March 2021<br>% |
| Elect Performance Group Pty Ltd   | Australia                                                | 100.00%            | 100.00%            |
| JC Tanloden Victoria Pty Ltd      | Australia                                                | 100.00%            | 100.00%            |
| Austco Polar Cold Storage Pty Ltd | Australia                                                | 100.00%            | 100.00%            |

### Note 28. Events after the reporting period

On 1 April 2022, Mr Steven Chaur resigned as a director of the Company and Mr Marcello Diamante was appointed to the Board of Directors as a Non-Executive Director.

On 22 June 2022, Wingara entered into binding agreements with AP Cold Storage Pty Ltd and Sui Garden Pty Ltd (together referred to as 'Purchasers') for the sale of Austco Polar Cold Storage Pty Ltd. Austco Polar will be sold to the Purchasers for a cash consideration of \$1.45 million (\$100 thousand in cash for the business and \$1.35 million cash for Wingara to satisfy retained working capital obligations), subject to a working capital adjustment. The transaction is expected to be completed by 5 August 2022 subject to conditions customary for a transaction of this nature including completion of due diligence and satisfaction of conditions precedent. The sale of Austco Polar marks the end of an asset divestment process announced on 24 August 2021.

No other matter or circumstance has arisen since 31 March 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.

## Notes to the consolidated financial statements

Continued

### Note 29. Reconciliation of loss after income tax to net cash from operating activities

|                                                              | CONSOLIDATED        |                     |
|--------------------------------------------------------------|---------------------|---------------------|
|                                                              | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| Loss after income tax benefit/(expense) for the year         | (9,696,900)         | (6,232,809)         |
| Adjustments for:                                             |                     |                     |
| Depreciation and amortisation                                | 3,232,158           | 2,911,251           |
| Loss on one-off disposal of property, plant and equipment    | 5,491,210           | 440,576             |
| Net loss/(gain) on disposal of property, plant and equipment | (11,295)            | 12,613              |
| Share-based payments                                         | 105,000             | 49,000              |
| Interest on lease liabilities                                | 1,600,655           | 1,605,362           |
| Gain on forfeited options                                    | (51,151)            | (122,764)           |
| Forfeit of rental bond                                       | –                   | 268,000             |
| Impairment of trade receivables                              | –                   | 977,971             |
| Change in operating assets and liabilities:                  |                     |                     |
| Decrease/(increase) in trade and other receivables           | 30,248              | (1,888,382)         |
| Decrease in inventories                                      | 387,897             | 2,030,973           |
| Decrease in deferred tax assets                              | –                   | 402,617             |
| Decrease/(increase) in other assets                          | 99,905              | (322,582)           |
| Increase in trade and other payables                         | 1,297,054           | 462,553             |
| Decrease in provision for income tax                         | –                   | (193,382)           |
| Increase/(decrease) in employee benefits                     | 123,168             | (84,042)            |
| <b>Net cash from operating activities</b>                    | <b>2,607,949</b>    | <b>316,955</b>      |

## Notes to the consolidated financial statements

Continued

### Note 30. Loss per share

| CONSOLIDATED                                                                          |                     |                     |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                       | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Loss per share from continuing operations</i>                                      |                     |                     |
| Loss after income tax attributable to the owners of Wingara AG Limited                | (5,700,365)         | (3,757,601)         |
|                                                                                       | Number              | Number              |
| Weighted average number of ordinary shares used in calculating basic loss per share   | 154,998,129         | 121,986,989         |
| Weighted average number of ordinary shares used in calculating diluted loss per share | 154,998,129         | 121,986,989         |
|                                                                                       | Cents               | Cents               |
| Basic loss per share                                                                  | (3.68)              | (3.08)              |
| Diluted loss per share                                                                | (3.68)              | (3.08)              |

| CONSOLIDATED                                                           |                     |                     |
|------------------------------------------------------------------------|---------------------|---------------------|
|                                                                        | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Loss per share from discontinued operations</i>                     |                     |                     |
| Loss after income tax attributable to the owners of Wingara AG Limited | (3,996,535)         | (2,475,208)         |
|                                                                        | Cents               | Cents               |
| Basic loss per share                                                   | (2.58)              | (2.03)              |
| Diluted loss per share                                                 | (2.58)              | (2.03)              |

| CONSOLIDATED                                                           |                     |                     |
|------------------------------------------------------------------------|---------------------|---------------------|
|                                                                        | 31 March 2022<br>\$ | 31 March 2021<br>\$ |
| <i>Loss per share attributable to the owners of Wingara AG Limited</i> |                     |                     |
| Loss after income tax attributable to the owners of Wingara AG Limited | (9,696,900)         | (6,232,809)         |
|                                                                        | Cents               | Cents               |
| Basic loss per share                                                   | (6.26)              | (5.11)              |
| Diluted loss per share                                                 | (6.26)              | (5.11)              |

### Accounting policy for earnings/(loss) per share

#### Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit attributable to the owners of Wingara AG Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Notes to the consolidated financial statements

Continued

The rights to options and performance rights held by holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 *Earnings Per Share*. The rights to options and performance rights are non-dilutive as the Consolidated Entity is loss generating.

### Note 31. Share-based payments

A share option plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

#### Options

Set out below are summaries of options granted under the plan:

##### 31 March 2022

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | BALANCE AT THE START OF THE YEAR | GRANTED  | EXERCISED | EXPIRED/ FORFEITED/ OTHER | BALANCE AT THE END OF THE YEAR |
|------------|-------------|----------------|----------------------------------|----------|-----------|---------------------------|--------------------------------|
| 13/06/2018 | 12/06/2021  | \$0.480        | 500,000                          | -        | -         | (500,000)                 | -                              |
| 13/08/2018 | 12/08/2021  | \$0.480        | 500,000                          | -        | -         | (500,000)                 | -                              |
| 23/12/2019 | 23/12/2022  | \$0.360        | 1,250,000                        | -        | -         | (500,000)                 | 750,000                        |
|            |             |                | <b>2,250,000</b>                 | <b>-</b> | <b>-</b>  | <b>(1,500,000)</b>        | <b>750,000</b>                 |

##### 31 March 2021

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | BALANCE AT THE START OF THE YEAR | GRANTED  | EXERCISED | EXPIRED/ FORFEITED/ OTHER | BALANCE AT THE END OF THE YEAR |
|------------|-------------|----------------|----------------------------------|----------|-----------|---------------------------|--------------------------------|
| 31/10/2017 | 30/10/2020  | \$0.395        | 2,000,000                        | -        | -         | (2,000,000)               | -                              |
| 13/06/2018 | 12/06/2021  | \$0.480        | 500,000                          | -        | -         | -                         | 500,000                        |
| 13/08/2018 | 12/08/2021  | \$0.480        | 500,000                          | -        | -         | -                         | 500,000                        |
| 23/12/2019 | 23/12/2022  | \$0.360        | 2,450,000                        | -        | -         | (1,200,000)               | 1,250,000                      |
|            |             |                | <b>5,450,000</b>                 | <b>-</b> | <b>-</b>  | <b>(3,200,000)</b>        | <b>2,250,000</b>               |

#### Performance rights

Set out below are summaries of performance rights granted under the plan:

##### 31 March 2022

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | BALANCE AT THE START OF THE YEAR | GRANTED          | EXERCISED | EXPIRED/ FORFEITED/ OTHER | BALANCE AT THE END OF THE YEAR |
|------------|-------------|----------------|----------------------------------|------------------|-----------|---------------------------|--------------------------------|
| 01/12/2021 | 31/05/2024  | \$0.000        | -                                | 3,816,603        | -         | -                         | 3,816,603                      |
|            |             |                | <b>-</b>                         | <b>3,816,603</b> | <b>-</b>  | <b>-</b>                  | <b>3,816,603</b>               |

## Notes to the consolidated financial statements

### Continued

For the 3,816,603 performance rights granted during the current financial year (31 March 2021: nil), the valuation is based on the 5 week VWAP of WNR shares trading on the ASX ending 3 December 2021 and the fair value per right at grant date is \$0.099.

For any of the Rights to vest, the employees must remain continuously employed by the Company until 31 May 2024.

The number of Rights that will vest will be based on the Consolidated Entity's Basic Earnings/(loss) per Share (EPS) achieved for the Financial Year F24 (1 April 2023 to 31 March 2024) is:

| EARNINGS PER SHARE ACHIEVED FOR THE FINANCIAL YEAR 2024 | % OF RIGHTS TO VEST               |
|---------------------------------------------------------|-----------------------------------|
| Less than 0.8 cps                                       | 0%                                |
| Between 0.8 cps and 1.0 cps                             | Pro-rata on a straight line basis |
| Greater than 1.0 cps                                    | 100%                              |

During the financial year 2022, no share based payment charge was recognised in the statement of profit or loss and comprehensive income for these performance rights as they were not assessed as probable to vest.

### Employee Share Scheme

On 21 September 2021, the Consolidated Entity granted 938,181 fully paid ordinary shares to employees in accordance with the terms of the Company's Employee Share Scheme. The weighted average fair value of the shares granted was \$0.11 per fully paid ordinary share.

### Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

## Notes to the consolidated financial statements

Continued

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made.

An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

# Directors' declaration

31 March 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 March 2022 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr David Christie  
Non-Executive Chairman

7 July 2022

# Independent auditor's report

to the members of Wingara AG Limited



## Wingara AG Limited

### Independent auditor's report to members

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Wingara AG Limited (the Company and its subsidiaries (the Consolidated Entity)), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements which indicates that the Consolidated Entity incurred a net loss after income tax of \$9.7 million and is in a net current liability position of \$6.5 million. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

### ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
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## Independent auditor's report

Continued



### Wingara AG Limited

#### Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wingara AG Limited (the Company and its subsidiaries (the Consolidated Entity)), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2022 and of its financial performance for the year ended on that date; and
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Independent auditor's report

Continued



| IMPAIRMENT OF INTANGIBLE ASSETS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Area of focus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How our audit addressed it                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Refer also to notes 2 and 13</p> <p>The Consolidated Entity continues to hold an export licence on its statement of financial position, which is valued at approximately \$1.8 million.</p> <p>There is a risk that the carrying amount of the export licence exceeds its recoverable amount and thus may be impaired.</p> <p>The export licence is carried within the processing of fodder Cash Generating Unit ("CGU"), all indefinite life intangible assets are held within this CGU.</p> <p>The recoverable amount of the fodder CGU has been calculated based on a value-in-use discounted cashflow model, that examines the expected discounted cashflows of the CGU over a five-year period extending from reporting date, plus a terminal value.</p> <p>Overall due to the high level of judgement involved, and the significant carrying amounts involved, we have determined that this is a key judgemental area that our audit concentrated on.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— A detailed analysis of any changes to the business to determine that there has been not changes to the Segment or CGU for which the intangible assets are included in comparison to the prior year;</li> <li>— An examination of the discounted cashflow model, testing for               <ul style="list-style-type: none"> <li>a) its arithmetical accuracy;</li> <li>b) the reasonableness of the future cashflows, comparing to historical trends of the business and its pipeline of future sales transactions and the overall industry climate affecting the economics of the business model;</li> <li>c) the reasonableness of key inputs into the model, including growth rates, the discount rate and the working capital levels associated with the derivation of those growth rates; and</li> <li>d) an examination of key sensitivities of the Consolidated Entity's future discounted cash flows to changes in key inputs.</li> </ul> </li> </ul> <p>We also considered the adequacy of the Consolidated Entity's disclosures in relation to the impairment testing in the financial report.</p> |

## Independent auditor's report

Continued



| PLANT AND EQUIPMENT                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Area of focus                                                                                                                                                                                                                                                                                                                                                                                    | How our audit addressed it                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Refer also to notes 2 and 12                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| During the financial year the Consolidated Entity continued to acquire significant amounts of plant and equipment.                                                                                                                                                                                                                                                                               | Our audit procedures included:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The capitalisation of these assets requires significant judgement as costs are only recognised as an asset if it is probable that future economic benefits will flow to the entity and that the costs can be reliably measured. There are multiple elements of cost included in the total value of these additions, which include labour and overhead required to bring the assets into service. | <ul style="list-style-type: none"> <li>— Reviewing the purchase documentation and independent valuation reports (where applicable) associated with the purchase of assets;</li> <li>— Performing audit procedures around other directly attributable costs capitalised in conjunction with the purchases;</li> <li>— Assessing the classification of plant and equipment between categories, including capital-work-in progress;</li> <li>— Reviewing the reasonableness and consistency of the useful lives including the disposals recorded in the year; and</li> <li>— Recalculating the arithmetic accuracy of the depreciation charge expensed for the year.</li> </ul> |
| The Consolidated Entity's accounting policy for depreciating such plant and equipment is over the term of the useful life of the asset, from when it is held ready for use.                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Finally, during the financial year the Consolidated Entity disposed of approximately \$5.5 million of property, plant and equipment.                                                                                                                                                                                                                                                             | We have also assessed the adequacy of disclosures in the notes to the financial report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's report for the year ended 31 March 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Independent auditor's report

Continued



In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2022.

In our opinion, the Remuneration Report of Wingara AG Limited, for the year ended 31 March 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 7 July 2022

# Additional Securities Exchange Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information is current as at 13 July 2022 (Reporting Date).

## Corporate Governance Statement

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (Corporate Governance Statement).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on our website and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

## Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

| RANGE            | TOTAL HOLDERS | UNITS              | % UNITS       |
|------------------|---------------|--------------------|---------------|
| 1 – 1,000        | 31            | 3,585              | 0.00          |
| 1,001 – 5,000    | 49            | 166,719            | 0.09          |
| 5,001 – 10,000   | 75            | 670,096            | 0.38          |
| 10,001 – 100,000 | 183           | 7,661,435          | 4.36          |
| 100,001 Over     | 128           | 167,040,669        | 95.16         |
| <b>Total</b>     | <b>466</b>    | <b>175,542,504</b> | <b>100.00</b> |

## Marketable Parcels

|                                              | MINIMUM PARCEL SIZE | HOLDERS | UNITS   |
|----------------------------------------------|---------------------|---------|---------|
| Minimum \$500.00 parcel at \$0.0510 per unit | 9,804               | 108     | 370,446 |

## Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

| RANK | NAME                                                                | UNITS      | % UNITS |
|------|---------------------------------------------------------------------|------------|---------|
| 1    | NATIONAL NOMINEES LIMITED                                           | 74,938,381 | 42.69   |
| 2    | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                           | 20,842,876 | 11.87   |
| 3    | MELBOURNE SECURITIES CORPORATION LIMITED <AGFOOD OPPORTUNITIES A/C> | 15,238,568 | 8.68    |
| 4    | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                           | 3,588,675  | 2.04    |
| 5    | JANE SUPERANNUATION PTY LTD <JANE SUPER FUND A/C>                   | 2,857,143  | 1.63    |
| 6    | PRIME VALUE ASSET MANAGEMENT LIMITED <PVA AGRICULTURAL A/C>         | 2,501,691  | 1.43    |
| 7    | F & L DIAMANTE PTY LTD <F&L DIAMANTE SUPER FUND A/C>                | 2,150,187  | 1.22    |
| 8    | AVZATH PTY LTD <DIAMANTE FAMILY A/C>                                | 1,930,249  | 1.10    |
| 9    | ABEILLE INVESTMENTS PTY LIMITED <WRIGHT FAMILY S/F A/C>             | 1,590,000  | 0.91    |
| 10   | DAVID GAZAL + JACLYN GAZAL <DAVID GAZAL FAMILY A/C>                 | 1,500,000  | 0.85    |
| 11   | MR ERIC HUA JIAN JIANG                                              | 1,442,000  | 0.82    |
| 12   | AUSNOM PTY LTD <THE J & K CHEGS SHARE A/C>                          | 1,425,937  | 0.81    |
| 13   | LILLIS SERVICES PTY LTD                                             | 1,250,000  | 0.71    |

## Additional Securities Exchange Information

Continued

| RANK                                                                | NAME                                                                            | UNITS              | % UNITS      |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------|--------------|
| 14                                                                  | MR BENJAMIN JOHN THOMPSON                                                       | 1,183,438          | 0.67         |
| 15                                                                  | MR PETER HOWELLS                                                                | 1,050,000          | 0.60         |
| 16                                                                  | A & E DIAS SUPERANNUATION FUND PTY LTD <A & E DIAS SUPER FUND A/C>              | 1,000,000          | 0.57         |
| 16                                                                  | MR DARRYL GRAEME BARBER + MRS SHARON MARGARET BARBER<br><BARBER FAMILY NO2 A/C> | 1,000,000          | 0.57         |
| 16                                                                  | YUEN SOON JUENG + JOEN HING JENNY <CW & CA SUPER FUND A/C>                      | 1,000,000          | 0.57         |
| 16                                                                  | MR DONALD GORDON MACKENZIE                                                      | 1,000,000          | 0.57         |
| 20                                                                  | MR KEITH WILLIAM ROUND + MRS DIANNE SUZANNE ROUND<br><KW & DS ROUND SUPER A/C>  | 884,000            | 0.50         |
| <b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b> |                                                                                 | <b>138,373,145</b> | <b>78.83</b> |
| <b>Total Remaining Holders Balance</b>                              |                                                                                 | <b>37,169,359</b>  | <b>21.17</b> |

### Substantial holders

Substantial holders in the company are set out below:

| RANK         | NAME                                                                | UNITS              | % UNITS      |
|--------------|---------------------------------------------------------------------|--------------------|--------------|
| 1            | NATIONAL NOMINEES LIMITED                                           | 74,938,381         | 42.69        |
| 2            | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                           | 20,842,876         | 11.87        |
| 3            | MELBOURNE SECURITIES CORPORATION LIMITED <AGFOOD OPPORTUNITIES A/C> | 15,238,568         | 8.68         |
| <b>Total</b> |                                                                     | <b>111,019,825</b> | <b>63.34</b> |

### Restricted securities (Listing Rule 4.10.14)

As at 13 July 2022, there are currently 367,587 fully paid ordinary shares subject to voluntary escrow until 21 September 2022.

### Number of Holdings of Equity Securities (Listing rule 4.10.5)

As at the Reporting Date, the number of holders in each class of equity securities on issue is as follows:

The fully paid issued capital of the Company consisted of 175,542,504 ordinary fully paid shares held by 466 shareholders. Each share entitles the holder to one vote.

### Unquoted securities (Listing Rules 4.10.16)

As at 13 July 2022, the following unquoted securities are on issue:

**750,000 Options expiring 23 December 2022 @ \$0.36 – 2 Holders.**

Holders with more than 20%

| HOLDER NAME | HOLDING | % IC |
|-------------|---------|------|
| Zane Banson | 500,000 | 67%  |
| Gavin Xing  | 250,000 | 33%  |

**41,822,050 Options issued under rights offer expiring 31 December 2023 @\$0.17 – 97 Holders.**

Holders with more than 20%

| HOLDER NAME | HOLDING    | % IC |
|-------------|------------|------|
| NAOS        | 28,535,919 | 68%  |

## Additional Securities Exchange Information

Continued

**3,376,809 Performance Rights expiring upon release of FY24 Results – 3 Holders.**

**Holders with more than 20%**

| HOLDER NAME     | HOLDING   | % IC |
|-----------------|-----------|------|
| James Whiteside | 1,516,531 | 45%  |
| Zane Banson     | 970,580   | 29%  |
| Jae Tan         | 889,698   | 26%  |

### Voting rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:

Computershare Investor Services Pty Ltd  
 Level 11, 172 St Georges Terrace  
 Perth, Western Australia 6000  
 1300 55 70 10 (within Australia)  
 +61 8 9323 2000 (overseas)  
 Website: [www.computershare.com.au](http://www.computershare.com.au)

### Change of address, change of name, consolidation of shareholdings

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

### Annual report

Shareholders do not automatically receive a hard copy of the Company's Annual Report unless they notify the Share Registry in writing. An electronic copy of the Annual Report can be viewed on the Company's website.

### Tax file numbers

It is important that Australian resident Shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

### CHESS (Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS system should contact their stockbroker.

### Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of an individual/company's holding.

### On-market buy back (4.10.18)

There is currently no on-market buyback program.

# Corporate directory

## Directors

Mr David Christie (Non-Executive Chairman)  
Mr Brendan York (Non-Executive Director)  
Mr Marcello Diamante (Non-Executive Director)

## Chief Executive Officer

Mr James Whiteside

## Chief Financial Officer

Mr Jae Tan

## Company Secretary

Ms Natalie Climo

## Registered office

Suite 11, 13 Church Street  
Hawthorn, Victoria 3122  
Australia

## Principal place of business

Suite 11, 13 Church Street  
Hawthorn, Victoria 3122  
Australia

## Share and debenture register

### Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000  
Australia

1300 55 70 10 (within Australia)  
+61 8 9323 2000 (overseas)

## Auditor

### William Buck

Level 20, 181 William Street  
Melbourne, Victoria 3000  
Australia

## Stock exchange listing

Wingara AG Limited shares are listed on the  
Australian Securities Exchange (ASX code: WNR)

## Website

[www.wingaraag.com.au](http://www.wingaraag.com.au)

For personal use only



**Wingara AG  
Limited**

[www.wingaraag.com.au](http://www.wingaraag.com.au)