



Wellard

ASX ANNOUNCEMENT

26 JULY 2021

TOTAL PAGES: 2

APPENDIX 4C

QUARTERLY ACTIVITY AND CASH FLOW REPORT TO 30 JUNE 2021

All figures are stated in United States Dollars and are unaudited.

Wellard Ltd (**Wellard**, ASX:WLD) presents its second Appendix 4C cash flow report, for the quarter ended 30 June 2021.

FINANCE & CASH FLOW:

Wellard generated US\$5.7 million in cash from operating activities in the reporting period – comprising almost 60% of the US\$9.6 million cash generated by the Company for all of FY21 – as demand from cattle exporters to utilise the M/V Ocean Ute, M/V Ocean Swagman, and M/V Ocean Drover, which were fully available for the quarter, drove strong vessel utilisation rates. Receipts from customers were US\$14.7 million, while operating costs were US\$8.1 million.

The Wellard fleet completed 7 voyages during the quarter, including 6 long-haul trips to transport breeding heifers to Northern Asia, generating the bulk of chartering activity for the Company.

Cash outflow on investing activities increased slightly to US\$2.7 million in the quarter, which as anticipated in the Company's previous quarterly activity report, was for payments of costs incurred during Q3 FY21 for the scheduled dry dock of the M/V Ocean Drover. Cash outflow on financing activities of US\$2.3 million primarily related to the net drawdown of a trust receipt facility utilised for bunker fuel purchases and repayments of borrowing and lease liabilities.

At the completion of the quarter, Wellard had cash and cash equivalents of US\$6.7 million, an increase of 9 per cent on the US\$6.1 million held at 31 March 2021.

CORPORATE:

Corporate related parties' payments of US\$143K were paid during the period, of which US\$132K represent Directors fees paid from the shareholder-approved pool of fees; and US\$11K represents technical services rendered to the Wellard fleet by Transport Capital Pte Ltd, a transportation focused investment management and advisory firm, of which Wellard board member Mr Philip Clausius is the founder and managing partner.

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COMMENTARY

“There was excellent utilisation of all of Wellard’s vessels throughout the quarter and the cash generated from operating activities reflected that,” said Wellard Executive Chairman John Klepec.

“Shipping activity out of northern Australia continued to be depressed due to historically low cattle availability leading to record Australian cattle prices, but the supply of breeding cattle out of southern Australia, New Zealand and South America generated good demand for our vessels to service strong Northern Asian markets.

“Importantly, this demand is continuing into Q1 FY22 and beyond.”

During the quarter Wellard finalised negotiations with Heytesbury Singapore Pte Ltd to extend the long-term bareboat charter of the M/V Ocean Swagman from March 2022 to June 2023. The charter extension is on the same terms previously approved by shareholders.

The Company also negotiated with Ruchira Ships Limited to extend extension the lease term of the M/V Ocean Drover from a December 2021 maturity with US\$4.3 million balloon payment to a December 2022 maturity with remaining payments ammortised over the term of the lease.

This ASX release was approved by the Wellard Board of Directors.

FOR FURTHER INFORMATION:

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