



ASX ANNOUNCEMENT

19 OCTOBER 2021

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## APPENDIX 4C

### QUARTERLY ACTIVITY AND CASH FLOW REPORT TO 30 SEPTEMBER 2021

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

Wellard Ltd (Wellard, ASX:WLD) presents its third Appendix 4C cash flow report, for the quarter ended 30 September 2021 (Q1 FY2022).

#### FINANCE & CASH FLOW:

Wellard generated US\$3.2 million in cash from operating activities in the reporting period.

All vessels were fully available during the quarter.

Receipts from customers were US\$13.4 million, while vessel operating costs were US\$8.9 million.

The Wellard fleet completed six voyages during the quarter, including three voyages from Australia to south-east Asia, two voyages from Australia/New Zealand to northern Asia and one voyage from South America to northern Asia.

Cash outflow on investing activities was relatively small at US\$0.25 million, while financing activities, principally payment of debts, totalled US\$1.1 million in costs.

At the completion of the quarter, Wellard had cash and cash equivalents of US\$8.5 million, an increase of 27 per cent on the US\$6.7 million held at 30 June 2021. It also possesses unused finance facilities of US\$2 million.

#### CORPORATE:

Corporate related parties' payments of US\$144K were paid during the period, of which US\$133K represent Director 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.

The above Directors fees and technical services fee are at the same rate as Q4 FY2021. The Company has terminated the Transport Capital technical services consultancy effective 30 September 2021.

## COMMENTARY

“Wellard continued its performance from the previous quarter, achieving excellent utilisation of the Company’s vessels and good cash generation,” said Wellard Executive Chairman John Klepec.

“As with the previous quarter, the supply of breeding cattle out of southern Australia, New Zealand and South America generated good demand for our vessels to service Northern Asian demand for dairy and beef breeder cattle, while shipping activity out of northern Australia continued to be depressed due to historically low cattle availability and record Australian cattle prices.

“The M/V Ocean Drover completed one voyage from South America to northern Asia in this period, with excellent animal welfare and commercial results.

“It is apparent live cattle exports from northern Australia are slowing even further from their low base, and our current forward charter program and existing inquiry indicate the breeder cattle market will comprise most, if not all, of our charter demand for Q2 FY2022.

“The depressed northern cattle live export trade, along with a very lumpy South America to Middle East trade continues to place pressure on freight rates for livestock vessels.”

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

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