



ASX ANNOUNCEMENT

25 JANUARY 2022

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APPENDIX 4C

QUARTERLY ACTIVITY AND CASH FLOW REPORT TO 31 DECEMBER 2021

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

Wellard Ltd (**Wellard**, ASX:WLD) presents its Appendix 4C cash flow report, for the quarter ended 31 December 2021.

FINANCE & CASH FLOW:

Wellard reported cash flow of negative US\$1.5 million from operating activities in the reporting period – impacted by the late payment of a US\$4.0 million customer invoice which was due on 30 December 2021 but was received on 5 January 2022.

All vessels were fully available during the quarter.

Receipts from customers were US\$7.4 million, while vessel operating costs were US\$7.8 million.

The Wellard fleet completed five voyages during the quarter, including two voyages from Australia to Southeast Asia, two voyages from New Zealand to North Asia and one voyage from South America to North Asia.

Cash outflow on investing activities was relatively small at US\$0.3 million, while financing activities, principally payment of debts, totalled US\$2.2 million in costs.

At the completion of the quarter, Wellard had cash and cash equivalents of US\$4.4 million. On 17 January 2022 the payment of the US\$12.02 million arbitration award to Wellard was received (see ASX announcement 5 January 2022). Wellard also possesses unused finance facilities of US\$2.4 million. Cash held at 30 September 2021 was US\$8.4million.

CORPORATE:

In late January, Wellard agreed with Ruchira Ships Limited (**Ruchira**) to defer the repurchase of the M/V Ocean Ute from the amended date of 25 January 2022 (original date was 24 December 2021) to 30 June 2022.

Additionally, Wellard has agreed with Ruchira to bring forward the repurchase of the M/V Ocean Drover to the same amended date as the M/V Ocean Ute, the 30 June 2022 (original date was 16 December 2022). Documentation for these changes is being negotiated and finalised.

Corporate related parties' payments of US\$179K were paid during the period, all of which represent Director fees paid from the shareholder approved pool of fees.

COMMENTARY

"Wellard continued to achieve excellent ship availability during the quarter, though utilisation came under pressure in late December as a result of the well-publicised decline in live cattle exports from northern Australia," said Wellard Executive Chairman John Klepec.

"It has been a consistent theme over the past 12-18 months that the supply of breeding cattle out of southern Australia, New Zealand and South America has 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 the resultant record Australian cattle prices.

"This theme has continued in the most recent quarter. Only the M/V Ocean Drover is fully chartered, and some potential short-haul voyages to Indonesia to fill the schedule gap of breeder shipments did not proceed due to the lack of cattle supply and offered rates.

"Freight rates ex-Australia remain depressed and are under further pressure from attempts by some supply chain participants in northern Australia to reinvigorate their margins.

"The trade in live cattle from South America to Turkey and the Middle East is showing encouraging signs with increased activity and forward enquiry."

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

For further information:

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